



Resourcing Synods

Background

- 1 The United Reformed Church created Synods in 1972 of unequal sizes and has made little change to their boundaries since. Their inheritance in terms of financial assets was probably even more varied than their sizes in terms of geography or membership. A new Synod of Scotland was created as part of the union with the Congregational Union of Scotland in 2000 and had a smaller membership and larger geographical area than any of the English Synods. It had some limited financial resources under its control. Relatively low property prices in Wales and Scotland have constrained the opportunities for the national Synods to build up assets at Synod level.
- 2 Both English and national Synods have largely been left to devise their own ways of funding Synod activities. Only the Synod Moderator post has been consistently funded from the central URC budget. Synods have paid for other activities mainly from a local mixture of investment income, sales of property and levies on the Synod's churches. Not surprisingly, the level of Synod activity and number of Synod staff has evolved in significantly different ways in different Synods.
- 3 Alongside this devolved model, for a decade or more the United Reformed Church has also operated an Inter-Synod Resource Sharing (ISRS) system. This reflects a Biblical commitment to the Christian community sharing resources, so that those with means help those with needs. At the time it began it was clear that some Synods had internally generated resources which allowed them to support mission projects which other Synods could not begin to consider supporting. If the better endowed Synods gave some of their resources into a common pool, the chances of Synod funding for a visionary project could be more equal whether the location for the project was in a poor Synod or a rich one.
- 4 The ISRS process has resulted in several million pounds' worth of resources being moved around the URC over the years. Although always a smaller scale redistributive process than the M&M Fund, this has been much appreciated by the recipients and a good signal of denominational commitment by the givers. We should all be grateful for this.
- 5 However the October 2010 annual ISRS consultation of the Synods confirmed there are now several serious structural problems with this system. Behind these lay a view, shared by all present, that the current methods of funding the Synods themselves were not sustainable. This issue has since been discussed by the Finance Committee, the annual consultation of Synod Treasurers and a consultation between Assembly officers and the national Synods of Wales and Scotland in April 2011. This paper draws out some issues that merit the attention of Mission Council.

Key Issues

- 6 The data collected for ISRS, although not perfect, indicate that only one of the 13 Synods expects to be able to cover its 2011 expenditure out of income. That one Synod is only able to do so by including property sales as income. Across the 13 Synods property sales of £1.3m are expected to support ongoing expenditure and reserves be depleted by over £3m in 2011. If we are to sell the “family silver” to fund ongoing expenditure we should at least do so as a deliberate policy.
- 7 ISRS has done sterling work in comparing practices across the 13 Synods. However attitudes to the role of the Synod remain very different in different places. One Synod believes it can supply all that it needs to do within a budget of £300kpa while three others feel it is necessary to spend over £1mpa. The Wales and Scotland Synods are both well towards the lower end of this range. An earlier ISRS goal of achieving some sort of parity by 2013 is clearly impossible.
- 8 The money given to ISRS has not been enough to equalise capital resources across the Synods or to move anywhere near doing so. Synod capital ranges from £2m to £17m.
- 9 While ISRS has enabled valuable exchanges of experience across Synods about their various policies, these discussions are generally approached in a spirit of wanting to explain differences rather than to remove them.
- 10 The Synods who have been the main donors to ISRS have reduced markedly their contributions recently, in one case from £277k in 2010 to £100k in 2011. In practice the ISRS scheme now rests very heavily on just two donor Synods, which provided 80% of the money in 2010.
- 11 The money from ISRS now regularly goes predominantly to the two national Synods and it is clear that the money is not mainly used for special mission projects as the donor Synods have generally assumed. Instead the majority of it appears to be funding the regular Synod staffing: the Synod of Scotland is relying on its ISRS grant of £192k for paying 55% of its total costs in 2011; the Synod of Wales is receiving £150k which will pay 45% of its total costs.
- 12 Taken together, these issues demonstrate that ISRS is not going to be able to achieve parity between Synods, as may once have been envisaged, but for which there is little sign of current enthusiasm. More urgently, it is unclear that sufficient money will continue to be available to fund the ISRS system, leaving the national Synods in particular not just with less resource for special projects but without funding for their existing staff and running costs.

Legal Issues

- 13 One point of difference, and sometimes also of tension, between Synods is their approach to capital released by the sale of property. In some Synods resolutions have been passed which effectively give the Synods control of the proceeds of sale and which result in the sale proceeds appearing in the Synod accounts. In other Synods there is a strong conviction that property sales relating to continuing congregations should remain with the local church to use as they wish. In these latter Synods there may also be less pressure to sell redundant manses, which may explain the large number of manses being let out to support local church income.

- 14 At the ISRS Consultation in October 2010 the possibility of inviting Assembly to encourage all Synods to centralise proceeds of property sales was raised. This would, it was argued, give more strategic control of assets within the Synods. There was however feeling from some Synods that this would ultra vires. Informal advice has subsequently been taken from the principal URC draughtsman of the 1972 Act to clarify what power the Synods were intended to have over property sales. This confirmed that the Act was intended to protect the local congregation from the Synod being able to take its assets without clear consent. A blanket Synod policy to centralise these resources was not envisaged.
- 15 Given this formal position, Assembly might be on uncertain legal grounds if it were to encourage Synods to centralise resources beyond what they have themselves chosen to do, and for which they have presumably obtained legal advice.

Consultation with the National Synods

- 16 The April consultation with the two national Synods was held at Windermere over 24 hours, chaired by the General Secretary. Careful and sensitive discussions were held within a framework of worship and fellowship. The distinctive political, cultural and Church histories in Scotland and Wales were expounded briefly and noted. The participants all agreed that the points in the following paragraphs were key messages for Mission Council to consider.
- 17 As a Church in three nations, the United Reformed Church is not an English Church which needs to adapt its norm to work effectively in Scotland and Wales. Rather it is a Church which positively celebrates the possibilities of enrichment to the whole Church that comes from its diversity, and one dimension of its diversity is the difference between the contexts of English, Welsh and Scottish Synods. All thirteen Synods have a responsibility to create patterns of Church life that enable all thirteen Synods to be effective.
- 18 Like all the English Synods, the national Synods have particular opportunities and challenges distinctive to their settings. Discussion at the consultation suggested that the most important implication of this in terms of resources was the different ecumenical contexts in the national Synods. Therefore the consultation proposes to Mission Council that the central budget should in future fund a 50% ecumenical officer post in each of the two national synods, in addition to the current Assembly post covering ecumenical relations. Because of the attitudes of some partner Churches, it is felt essential that these two posts are filled by ministers and therefore should be deducted from the overall pool of stipendiary ministers available for deployment in local pastorates.
- 19 The consultation also felt that documents produced for governance bodies and wider circulation were often written too much from an English perspective. It would be helpful if such documents were “proofed” while in draft to ensure they took proper account of the different contexts in the national Synods. It was suggested that there might be volunteers in the national Synods willing to help with this so the extra work on Assembly staff would not be too great.
- 20 Much of the rest of the consultation highlighted issues which, although pertinent to the national Synods, were actually issues for all Synods. The discussions influenced the next section of this paper, which also takes account of earlier discussions with Synod Treasurers and the Finance Committee.

Possible Synod Support Structure

- 21 It is clear that existing processes do not provide a robust underpinning for current URC costs at Synod level. The risk of a major problem emerging in the near future is most obvious for the two national Synods but the issue applies to the English Synods as well. Currently there are, in addition to the Synod Moderators, nearly 100 paid posts in the Synods (both ministerial and lay and in full-time equivalent terms) at a total annual cost of around £4m. This compares with 100 posts under the auspices of the Assembly in Church House, the Resource Centres for Learning and elsewhere, and around 500 ministers and Church Related Community Workers in local ministry.
- 22 There is no doubt that the preferred response of many local church members would be to reduce drastically the Synod costs. Not everyone sees the benefits that flow from the hard work of Synod officers and staff and would see local church ministry as a higher priority. The consultation felt however that often this view takes too little account of the requirements laid on Synods by the law and the past decisions of the Assembly and their own Synod meetings. This pressure is exacerbated by a marked shortage of volunteers to do Synod work unpaid. The consultation did not incline towards a radical change in Synod costs but did not resist the Finance Committee's suggestion that each Synod might usefully consider its medium term finances and consider whether all the current costs were essential and sustainable.
- 23 If the Synod costs are not to be radically reduced, then the consultation and the Finance Committee believe that some central underpinning of those costs is now required. That wish does not create any extra money, so any central contribution to Synod costs would be at the cost of something else. Mission Council is asked to decide whether it supports the principle of underpinning Synod costs from the central budget, which is predominantly funded from the M&M Fund.
- 24 If the principle of central Synod support is agreed, the question becomes how much of the current Synod costs should be underwritten. The ISRS process has developed a hypothetical "Synod 14" as a template of the essential work of any Synod in the URC to help discussions about the variety of costs and posts adopted by different Synods. Its annual costs would amount to around £450k. Mission Council is invited to ask the Finance Committee to work on how some benchmark of Synod costs might be established as a basis for deciding what costs might be underwritten centrally. The ISRS work illustrates that this can only be an approximate process.
- 25 In considering any application from a Synod for support from the central budget, the Finance Committee would have to take account of several factors where practice has diverged amongst the Synods. For example, as noted above, some Synods draw on the proceeds of property sales within the Synod to help with Synod costs, others leave such money with local churches. In some Synods, current costs can only be covered by raising some form of levy from the local churches for the services the Synod provides for their benefit; in other Synods no levy is requested. It is hard to imagine any central support being provided to a Synod that did not demonstrate it had used local sources of funding first.
- 26 The consultation was also keen to note that there may be creative non-financial ways in which Synods can share resources, including the voluntary sharing of expertise and this was just as important in making the Church feel like one body as financial flows across Synod boundaries.

Recommendations

- 1 **Mission Council affirms the commitment of the United Reformed Church to be a Church in three nations, working through two national Synods and eleven English synods.**
- 2 **Mission Council agrees that from 2012 the central budget should include provision for a 50% ecumenical officer post to be held by a Minister of Word and Sacraments in each of the national Synods, with a corresponding reduction in the number of stipendiary ministers available for local deployment in the Church as a whole.**
- 3 **Mission Council welcomes the proposal that documents should be proof read to ensure the context and implications for all Synods are incorporated, as far as this is reasonable.**
- 4 **Mission Council agrees that in principle the unavoidable core costs of each Synod should be underpinned by a willingness to consider support from the Church's central budget, financed through the M&M Fund.**
- 5 **Mission Council requests the Finance Committee to bring to a future meeting of the Council proposals for how such a system of underpinning Synod finances might work in practice.**

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15 April 2011