



MISSION COUNCIL

13 – 15 MAY 2013



Proposals on Reshaping Student Finances

Resolutions

Mission Council:

1. commends the existing flexibility of Education for Ministry Phase 1 pathways offered through the Scottish College, Northern College, and Westminster College, and encourages the Education & Learning Committee and these three Colleges to continue to offer a range of full-time and part-time formational pathways for an overall cohort of 50 Education for Ministry Phase 1 students;
2. endorses the Education & Learning Committee's undertaking to continue to work on the proposals given in section F. 1-4 of this paper, recognising the implications for candidates, their sending churches, Synods, Resource Centres for Learning, and the United Reformed Church in adjusting the norms and expectations for EM1;
3. agrees the outline in section F.4 which proposes that the financial support for students in EM1 available through the Education & Learning Committee's budget from the academic year 2014/15 onwards will be subject to:
 - a. Graduated capping with the aim of reaching an inflation-adjusted ceiling of £425,000 in 2018/19;
 - b. Means testing of new students where a grant is requested, with means testing extended to the total household income of each student;
 - c. Limitation such that no student can automatically expect to be fully funded through the Education & Learning Committee if accepted on a grant-maintained basis;
 - d. The development of bursary funds, with further work to decide the best channel for such funds;
 - e. Home churches and sending Synods being requested to provide support to students in line with the means testing system implemented by the Education & Learning Committee, where the EM1 budget and recourse to bursary funds is insufficient.

A. The reasons for these resolutions

1. The Education & Learning Committee is committed to staying within the budget allocated to it by General Assembly, whilst also maintaining the commitment to integrated whole church learning which was inherent to the 2006 Training Review. It is possible to do both, but not by continuing the current ways of supporting ministerial students. Knowing that this has implications for

enquirers and candidates who are in the process of applying for ministry, it is important to offer clarity at an early point. Changes agreed in principle by Mission Council will not be applied retrospectively to current students but will apply to students commencing their EM1 programme from September 2014. The years 2014 – 18 will therefore be a transition period in which the current scheme and proposed scheme will operate alongside one another. The academic year 2018/19 will be the first year when the whole student cohort is being supported using the new system.

2. There is concern in some quarters that these proposals represent educational policy being driven by short-term financial challenges, rather than by pursuing the goal of what is best for the United Reformed Church and individual students in the long term. The counter argument is that this proposal, whilst responding to a financial challenge, seeks to do so by extending the flexibility which already exists in rare cases and has been shown to work well, and to encourage this flexibility for more individuals. Mission Council is an appropriate Council of the Church where this issue can be debated, and a steer given to the Education & Learning Committee.

B. Financial background

1. In accordance with General Assembly 2012's agreed reductions in the central budget of the United Reformed Church, the Education & Learning Committee reduced its budget for 2013 by £200,000 through:
 - a. Reducing the total grants to Resource Centres for Learning (RCLs) by £75,000 and asking the RCLs to draw on their reserves where possible as a temporary measure. The bulk of any grant from the Education & Learning Committee to the RCLs goes towards teaching staff and educational administration costs.
 - b. Reshaping the Education for Ministry Phase 2 programme so that there are fewer residential conferences within it over the normal 3 year period.
 - c. Reducing the number of TLS weekends in each course from 4 to 3 each year, and putting study materials for the majority of students online.
 - d. Reducing the Education for Ministry Phase 3 allowance from £700 to £350 each year, and absorbing the Ministers' Refresher Courses into the EM3 allowances.

The Education & Learning Committee's assessment when making these immediate savings was that there would be a need for long term adjustments in the Education for Ministry Phase 1 budget to restore some of the temporary reductions. Restoration of the RCL core funding is a priority because of the unsustainability of drawing on reserves, and not allowing for inflation in the grants given to the RCLs in subsequent years.

2. Student Maintenance is the largest single budget line in the Education & Learning Committee budget. (£500,000 or just under 32% of the Committee's budget for 2013). In 2011/12, which is the most recent academic year for which figures are complete, there were 50 students, of whom 35 were grant-maintained (full-time) and 15 were expenses-only (part-time) students. The annual intake of students had decreased in recent years, but started to rise again in 2010/11 and the 2013/14 intake is expected to exceed the number of students completing their EM1 programme.

This has financial implications because the expenditure on students can be susceptible to disproportionate increases if we have an intake including a number of students with families, as we have had in the last few years.

C. The wider context

Restoring the funding levels to RCLs should be seen in the context of larger discussions which may lead to reshaping of the work overseen by the Education & Learning Committee:

- a. The Education & Learning Committee is in the process of preparing a progress report on the implementation of the 2006 Training Review, as *The Learning Church. The Next Chapter*. This is expected to result in recommendations on future policy being brought to the 2014 General Assembly.
- b. The Faith and Order Committee are encouraging discussion on the future of the United Reformed Church, which could have implications for the kinds of ministry that are called for in the coming years.
- c. There are ongoing discussions involving variously the Ministries Committee, the Synods, and Mission Council on the shape of local lay ministries, flexibility of deployment of Ministers of Word and Sacraments, and the possible need for new forms of ministry.

Therefore the proposals outlined here attempt to bring about changes which are not irrevocable, and which do not try to anticipate long term shifts in policy which might emerge as recommendations from larger processes.

D. The consequences of not changing

It could be argued that the current expenditure on supporting students is temporarily high, and could be reduced sufficiently from current levels by restricting the number of grant-maintained students accepted for full-time training in each year. Furthermore, there is a chance that the number of candidates will start to fall again soon after a few years of rising, in which case the EM1 budget could start to fall.

Deferring entry of grant-maintained students through a quota system could even out the annual number of students. However, the number of students completing EM1 each year is lower than the number of Ministers retiring each year, whether in stipendiary or non-stipendiary service. Supply is not exceeding demand, and the majority of candidates who are accepted by the Assembly Assessment Conference are keen to start their EM1 as soon as possible. The number of people who reach Assembly Assessment Conferences in any year is unpredictable, with no clear reason why it is 8 one year and 16 the next.

The current expenditure on students has been kept low artificially since September 2011 by delinking the student grants from the level of the stipend and not letting the grants rise. This will put increasing pressure on individual students in the coming years and is neither a long term nor effective solution to staying within budgetary limits.

Overall, the effect of not making a change would mean that the URC is assuming that the number of candidates for ministry and therefore students engaged in EM1 will continue to fall in the coming years in line with trends of the last decades (see Table 1).

Table 1: Numbers of students engaged in EM1 (1991-2012)

Year	Students in EM1
1991	183
1996	109
2001	123
2006	78
2011	46
2012	50

The proposals put forward in this paper are based on the alternative assumption that the number of ministerial vocations amongst suitable candidates has now stabilised, and that a cohort of 50 EM1 students is a reasonable and sustainable size, although the balance between grant-maintained and expenses-only students will need to change in the long term.

E. Current norms and expectations

Northern College, the Scottish College, and Westminster College all cater for both full-time and part-time educational pathways. They are able to offer a variety of educational awards for individual students from Diploma/Foundation Degree to PhD. The different shapes taken by EM1 for individual students can be seen from the narratives attached to this paper (Appendix 1). Pathways are recommended on the basis of the following underlying norms:

1. Academic Endeavour: Potential stretched as far as possible in EM1

The current assumption of the Education & Learning Board which meets with candidates at the Assembly Assessment Conference is that an individual's EM1 programme should be as long and as stretching as each student needs to fulfil their potential. The minimum level of academic achievement for satisfactory completion of EM1 is a Diploma or Foundation Degree, but most full-time students currently achieve a BA or MA during EM1. The usual duration of EM1 is four years, but an individual's EM1 programme could last from 2 to 7 years, depending on their previous level of theological education, their academic abilities, and the extent of their need for placement experience. Where a candidate seems to have the capability and desire to achieve a PhD, the Board may note this in their recommendation so that an initial two to four year EM1 programme can then be extended by three years to include the higher study, if agreed subsequently by the Education & Learning Board of Studies. The assumption has been that it is generally easier to extend EM1 than to expect individuals to take a PhD whilst engaged in ministry after ordination or commissioning. One purpose of encouraging appropriate PhD students in any phase of Education for Ministry is succession planning for the staffing of the RCLs and contributions elsewhere in the URC. There are many kinds of theological educators and doctorate-level scholarship has a place within the mix.

2. Study Patterns: EM1 mirrors ministerial service

The current assumption is that the training pathway in EM1 will correspond to the pattern of ministry which the individual is likely to offer once they have been called to a pastorate (Ministry of Word and Sacraments) or a place of community work (CRCW):

- a. People who are progressing towards exercising ministry in non-stipendiary service normally undertake EM1 on a part-time, expenses-only basis.

Rare exceptions: Candidates who already have their own means of support without needing employment and who anticipate being able to offer considerable hours to ministry may be offered a full-time pathway on an expenses-only basis.

- b. People who are progressing towards exercising ministry in stipendiary service (including all current CRCW candidates) normally undertake EM1 on a full-time, grant-maintained basis.

Rare exceptions: Candidates who are unable to leave their employment due to family circumstances may be offered a part-time, expenses-only pathway for the first part of their EM1 programme. They are strongly encouraged to move to a full-time grant-maintained pathway for at least their final year of EM1 so as to experience the realities of being in stipendiary service.

3. Supervised placements as the focus for reflective practice

The EM1 programme of every student includes supervised placements of varying lengths and intensity, in which they practise the skills of ministry and are helped to reflect on their experiences. This is essential for growing into the roles that they will take on after ordination or commissioning.

4. Relatively generous levels of financial support

The United Reformed Church’s level of support to grant-maintained students is more generous than any of its ecumenical counterparts, as suggested by figures obtained in 2011. Whilst every student is asked if they could contribute to the cost of their training, it has not been the practice to insist on this.

Further information about the general patterns of support are given in Appendix 2, whilst Table 2 below shows examples of the current level of grants, allowances and expenses for particular students. The income of a spouse or partner has to be substantial before this affects whether or not a student is given a grant. Personal circumstances vary widely for students within a single RCL and at different RCLs, which explains why the figures in Table 2 do not show a predictable pattern. The cost of housing a student when on placement can vary widely, depending on whether it is close to their home base or not. Most placements are close to home, but sometimes the right placement requires a move. Some students have to maintain two homes, if their family remains behind for education and employment whilst the student commutes on a weekly basis to the RCL.

Table 2: Examples of the support given for grant-maintained students, 2011/12

Student	Grant	Housing	Travel/Expenses	Total
A. Single, no dependents	£ 7,750	inclusive	£ 2,380	£10,130
B. Spouse, no children	£11,036	£4,188	£2,080	£17,304
C. Spouse, 3 young children	£13,889	inclusive	£1,053	£14,942
D. Spouse, 2 young children	£14,886	£5,496	£1,835	£22,217

F. Proposed new norms and expectations

1. Academic Endeavour: EM2 and EM3 to be taken into account

Whilst EM1 is a period in which studies can be pursued most easily, it is possible for higher studies to be extended into EM2 and EM3. So, if an individual achieves the equivalent of a Diploma or Foundation Degree in EM1 it should be possible to continue their studies part-time in EM2 to achieve a BA. It is a stretching way of achieving academic credits, but can also provide the opportunity for theological reflection based on first-hand experience of ministry in full responsibility. Many people in ministry already take Masters courses alongside full-time ministry during EM3. The overall effect of this change is likely to be that the normal duration of full-time EM1 would come down from 4 years to 3 years, with the range still being 2 -7 years and the upper end being an exception. Where a student shows the necessary aptitude to be a PhD candidate it is likely that significant efforts would be needed to put the funding in place for their additional years of study, but that there would be occasions when this is still the best option for the individual and the URC.

2. Study Patterns: The latter part of EM1 mirrors ministerial service

There will continue to be students for whom a full-time pathway throughout their EM1 period, and the achievement of a BA or BTh is the recommendation made by the Education & Learning Board at the Assembly Assessment Conference on the basis of educational and personal circumstances. It is also the case that the CRCW training pathway has to be full-time in order to cover all the requirements of the professional community work qualification. However, some of the candidates accepted to train for stipendiary service as Ministers of Word and Sacrament would be encouraged to pursue EM1 through a pathway that started out in expenses-only, part-time mode. It would be expected that at least their final year of EM1 would shift to a full-time pathway, particularly in order to ensure that their placements became full-time. The expectation would be that the pathway would shift to full-time mode earlier than this, if circumstances showed this to be necessary.

3. Supervised placements as the focus for reflective practice

This expectation would remain. Experience shows that the strengths and weaknesses of individual candidates emerge during placements, and therefore this element of EM1 should be protected, albeit reduced proportionally by greater use of part-time EM1 as preparation for stipendiary service.

4. Diversified financial support

The Education & Learning budget will continue to provide the academic fees for all students, which is a separate budget line to that of student maintenance. Beyond this the Committee's budget for supporting EM1 students would be capped each year in a graduated way, in order to reach a ceiling equivalent to £425,000 in 2018/19. Inflation would be taken into account. This budget would provide:

a. Reimbursement for expenses-only students, although the levels are likely to be reviewed and brought into line with ecumenical counterparts where relevant. The charges by RCLs will be calculated on actual costs, to avoid any hidden subsidies. This is particularly relevant for Westminster College where the full cost of students' occasional accommodation is not currently charged to the church, such that the College is subsidising the URC.

b. Core maintenance grants on a means-tested basis for students whilst in full-time mode. This would be for the students as individuals only and not take all their family requirements into account. A student with a high-earning partner would probably not be allocated a full grant, and the grant given to a low income household with many dependents might not cover all household needs.

Aspect (b) is a major shift, and would only become possible if students can apply for other funding to cover the rest of the cost of any period of EM1 in full-time mode. The likely sources of such funding are:

i. Bursary Funds. Discussion is ongoing as to whether these would best be set up by the Colleges or the United Reformed Church as a whole. They would need vigorous fundraising, and it may be that the Colleges are better placed than any URC-wide body to generate the kind of loyalty and focus from donors which would be needed. The income-generating capabilities of some of the Colleges could allow them to channel a proportion of future profits into student bursaries. At best, the bursary would cover the part of the board and lodging not covered by the core maintenance grant from the Education & Learning Committee.

ii. Family support funds. This is an untried area for the United Reformed Church but a routine form of funding for the students of other churches. Home churches and sending Synods would expect to support their students according to the needs identified during standard means testing by the United Reformed Church. There would need to be some careful resource sharing such that candidates with large families and low household incomes from less wealthy churches/Synods are not disadvantaged in comparison with similar students from more wealthy churches/Synods. Any balance remaining in the Education & Learning Committee's EM1 student support budget could be allocated to the Family Support funds.

G. Possible outcomes

This paper has tried to provide Mission Council members with the background information they need in order to have an informed discussion of the proposals. It has been written from the deliberations of a small task group which included the Principals of the three Colleges, the finance staff from one College and Church House, and the Secretary for Education & Learning. What follows is an attempt to predict the educational and financial outcomes of implementing all the changes suggested in Section G above.

1. Educational Outcomes of Proposed Changes

The outcomes, as far as they can be predicted, are summarised in Table 3. The basis for this is the shift from 35 grant-maintained students at any one time in a cohort of 50 students (2011/12) to 25 grant-maintained students in a cohort of 50 students (2018/19). It is difficult to predict the effects of the changes because the starting points of students vary greatly from year to year (as can be seen from the narratives in Appendix 1). Academic credits accumulated towards a Masters are likely to be transferred to be completed in EM2/3. What is clear is that there will be fewer people completing a BA during EM1 if more people start this award on a part-time study basis.

Table 3: Predicted educational outcomes of EM1 with proposed changes – 50 students

Award pursued	FdA/Diploma	BA/BTh	MA	MPhil/PhD
2011/12	13	26	9	2
2018/19	25	20	4	1

2. Financial Outcomes of Proposed changes

The Analysis of Student Expenses 2011-12 (Appendix 2) shows the following averages:

Re-imburement of expenses to an expenses-only student	£ 1, 869
Grant, allowances, expenses to a grant-maintained student	£ 13,750

The following comparison assumes a cohort of 50 students, uses the 2011/12 figures, and is based on the actual and anticipated numbers of grant-maintained (g-m) and expenses-only (e-o) students:

Year	g-m	Cost	e-o	Cost	Total
2011/12	35	£481,250	15	£ 28,035	£509,285
2018/19	25	£343,750	25	£ 46,725	£390,475

Using these figures as an example of possible outcomes based on changing only the educational variables suggests that in the academic year 2018/19 the EM1 student budget line could be reduced to £390,475. Compared with the budget figure of £500,000 assigned to EM1 students in 2011/12, this would allow £75,000 to be re-allocated to the core funding of the RCLs, and leave a balance of £34,525 to be put to the Family support fund.

3. Do we really need to implement this change?

The figures suggest that it would be possible to reach a position of removing the £75,000 deficit to the RCLs over the next 4 years, without the need to have bursary funds and additional support from home churches and sending Synods. However, four years is a long time for the RCLs to be drawing on their reserves, and trying to make the shift without recourse to bursary funds and local contributions would only be possible by implementing all the proposed changes in norms and expectations rigorously, immediately and simultaneously. This would have significant effects on the educational outcomes from EM1, and also leaves little scope in the system for responding to an influx of suitable candidates with complex family circumstances.

A more fruitful way forward would be to implement “both/and”, by introducing the new norms and expectations relatively cautiously at the same time as working hard to establish the bursary funds and encouraging home churches and sending Synods to start contributing to the costs of the students who come through them.

Therefore the resolutions to Mission Council ask for endorsement of the direction that is being proposed, in the knowledge that there is significant work ahead on the detailed implementation of the proposals in this paper.

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Education & Learning Committee's Task Group on Reshaping EM1 Finances¹

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¹ Revd Drs Rosalind Selby, Susan Durber, Jack Dyce as College Principals; Christine Thornborough, Northern College Administrator; Revd John Smith, Convenor of Education & Learning Committee, Revd Fiona Thomas, Secretary for Education & Learning; Andrew Grimwade, Chief Finance Officer URC; Penny Hannon, E&L Administrator.