Paper S

Even Better Synod Resources

Medium Term Strategy Group

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Medium Term Strategy Group: Even Better Synod Resources

Basic Information

Contact name and email address	Roberta Rominger roberta.rominger@urc.org.uk
Action required	Discussion and decision
Draft resolution(s)	**To be drafted in light of Mission Council discussion**
Alternative options to consider, if any	See paper

Summary of Content

Subject and aim(s)	To secure feedback on various ways of improving the resources available to synods in the light of discussions at the May 2013 Mission Council.
Main points	Paras 5-9 Reflection on May Mission Council discussion Paras 10-16 Considering funded Synod Manager posts Paras 17-41 Options for developing the Inter Synod Resource Sharing Process
Previous relevant documents	Paper D1 "Even Better Synods" May 2013 Mission Council
Consultation has taken place with...	Representatives of the Inter Synod Resource Sharing Task Group and Synod representatives

Summary of Impact

Financial	Possible employment of 13 Synod Managers: around £600k Redistribution of income between the synods; this would be financially neutral to central budget
External (e.g. ecumenical)	

Even Better Synod Resources

Purpose

1) This paper is designed to secure feedback on various ways of improving the resources available to synods in the light of discussions at the May 2013 Mission Council.

Background

2) In order to progress one aspect of its remit, the Medium Term Strategy Group (MTSG) brought to the May 2013 meeting of Mission Council a discussion paper *Even Better Synods...* This was discussed in eight small groups, written feedback was received from all the groups and some reflections brought back by MTSG to the full Mission Council. As a result, Mission Council asked MTSG to do further work on the basis of the discussions at the Council. This paper is part of the response.

3) A full collation of the feedback from the groups is available in the Mission Council section of the URC website (under May 2013, alongside Paper D1).

The Current Reality

4) In the light of responses to a previous draft, it seems to MTSG that the following outline of our current reality in the United Reformed Church on the topic of synods would command widespread recognition.

(i) The synods are very different in size: the largest has over three times as many members as the smallest; the smaller synods have fewer members and stipendiary ministers than the larger districts had in the 1970s. The synods have always covered geographical areas of very different sizes.

(ii) There are distinctive issues in the two national Synods of Wales and Scotland.

(iii) Since the ending of districts, the synods have evolved very different patterns: in some synods there are structured groupings that have regular meetings, their own Pastoral Committees and deployment responsibilities; in other synods the work has mainly been centralised.

(iv) In most churches the synod moderator and other synod staff are respected and readily used, especially as an emergency service.

(v) Many of the most innovative ministry posts in the Church, not least church-related community workers and Special Category Ministries, are devised and supported by synods.

(vi) Synods, and particularly their officers, are often the means by which we give expression to our ecumenical commitments, especially in relation to other Church leaders and regional bodies.

(vii) Synods are a key focus of two-way communication between local churches and the General Assembly, Mission Council and Church House; and communications need to be improved.

(viii) The location of tasks, e.g. in Church House or in Synods, needs to be kept under constant review without any assumption of a centralising drift.

(ix) Financial resources are very uneven; almost all synods now need proceeds from selling redundant buildings to cover their running costs but selling a property in one part of the country can produce several times the sum that selling the same property would produce in another area. The Inter-Synod Resource Sharing scheme is very dependent on the giving of just two synods.

(x) Personnel resources are stretched; finding volunteers for synod posts is hard.

(xi) The costs of running the network of 13 synods are significant at around £4m per annum. There is a small but growing number of paid staff posts shared between adjoining synods.

(xii) At our best, we see sharing resources between synods as an expression of grace, cheerful generosity and New Testament principles, rather than as a frustrating necessity.

Mission Council discernment

5) The discussion at Mission Council, most of whose members are sent by their synods, did not indicate unanimity on every point. Given the wide diversity of situations in which synods find themselves, this was not a surprise. Some themes did however emerge fairly clearly.

6) The first and critical theme was that there is very little appetite for wholesale formal restructuring. While not everyone would have the current pattern as their first choice, a large majority accept that the work involved in removing District Councils should not now be replicated in initiatives to change again the formal structures between the local church and the Assembly. The majority message to MTSG was to produce proposals that enhance the support the existing structure of 13 synods can give to local churches, not develop proposals for more or fewer synods.

7) This feedback therefore rules out any plans to regionalise into a small number of larger synods. More sensitively, it also rules out proposals to opt for some smaller, standardised unit than existing synods, despite the various calls at Mission Council and elsewhere for bodies that feel closer to local churches than synods have done. MTSG has reflected on this and has noted that since the abolition of District Councils some patterns of living together more local than the synod structures have been attempted in every synod. In some places these are relatively formal, in some places less so; some arrangements feel fairly stable, others less so. This has happened in response to Assembly's invitation to the synods to devise whatever support structure seemed right in their context. MTSG does not see there is need for a new central initiative but draws to the attention of synods the continuing pleas for effective intermediate relationships.

8) MTSG has focused further work on the areas where Mission Council was interested to explore how an existing pattern of 13 synods could be better equipped to fulfil their functions. Mission Council appeared to discern that we should retain a full-time moderator in each synod and that their role should have a pastoral emphasis. The roles of the Synod Trusts should also remain as they are, although noting that there may be benefit in some synods of considering appointing the same Trustees for Trusts of adjoining synods to minimise duplication and maximise co-ordination of activities. Mission Council also appeared to accept that where mission and technical staff are employed by a particular synod to complement the services provided centrally, these additional staff would have to be at that synod's discretion and expense.

9) That left two main areas that were raised at Mission Council on which MTSG needed to do more work. First, the proposal that alongside the synod moderator there should be a full-time manager post in each synod funded from the Ministry and Mission (M&M) Fund. Secondly, the idea of some more structured sharing of financial resources between the synods. In reflecting on this latter area, MTSG gratefully acknowledges the help given to us by some colleagues with a close involvement in the practicalities of the existing resource sharing process.

A Funded Manager Post

10) The report on the role of the synod moderator that was brought to the 2012 Assembly recommended dividing up the moderator's role between two people and separating pastoral support for ministers from involvement in disciplinary and management issues. The feedback from current moderators and from Mission Council generally was not necessarily to favour that division. There were many who questioned whether separating the pastoral care of ministers from a role in the discipline of ministers was right. However there did seem to be much stronger support for the concept of separating off from the care of ministers some of the internal synod management tasks which often fall to moderators, whether or not they have suitable training and experience, such as line managing staff and being responsible for policies on Health and Safety, Safeguarding and other similar issues.

11) MTSG asked a group with direct day to day experience of a synod office to consider a possible Job Description for a full-time Manager post to see whether this can help identify the best boundaries between such a role and that of the moderator. Attached as Appendix 1 is such a Job Description which draws on their work; it is presented alongside the proposed Job Description of the Synod Moderator prepared by the group reviewing the role of the Synod Moderator. A key issue that emerges is the relationship between such a Manager and the post of Synod Clerk. As some Synod Clerks are employees and some are volunteers, this diversity represents just one area where different Synods would work out the role of Manager differently. However we hope that having a broad brush Job Description will help Mission Council focus on whether this proposed post is what the Church now needs.

12) Whatever the precise nature of the Manager role, there will still be the question of funding; this may also help focus the mind on the level of priority Mission Council would attach to having synod managers. Mission Council responses suggested members warmed to the suggestion that, like the moderator, the Manager should be funded from the central M&M Fund and not therefore be a charge on the synod. The total annual cost of 13 managers in synods would be of the order of £700k.

13) Given the support of the 2012 Assembly for ringfencing the costs of supporting ministers in the context of any necessary budget reductions, MTSG assumes we do not need to consider the option of reducing the funding for ministers in order to find funding for the Manager posts. If this is right, then MTSG suggests there are broadly three possible ways in which funding could be achieved.

14) **Funding Option A: an immediate rise in M&M giving.** To create additional income to cover the costs of the 13 managers would need around an extra £10 a year per church member or around £500 extra a year from the average church of just over 40 members. Most anecdotal feedback suggests sharp increases in M&M are difficult to achieve but if synod representatives to Mission Council feel strongly enough about the advantages of having synod managers and the benefits they would bring for local churches, they could be powerful advocates. However, on the basis of what we have heard to date, and noting that some Mission Council members said they could only support the concept of synod managers if there was no net additional cost, MTSG doubts whether there would be adequate enthusiasm for this approach in local churches.

15) **Funding Option B: a reduction of £700k in other central expenditure** to offset the extra cost of funding synod managers. In 2012 Assembly agreed reductions of around £600k in the central budget but not without dissenting voices and a good deal of pain and complexity in the preceding process. It is much easier to ask for cuts in general than to vote for cuts in specific areas of work. However if the creation of synod manager posts is a deliberate shift of resources from the centre to the synods, there is a logic in reducing central posts and services at the same time.

16) **Funding Option C: growing a network in line with income.** If current stewardship and TRIO initiatives bear fruit, giving to the Church at large, and to the M&M Fund in particular, might start to grow more rapidly. If this were the case, the first call on any regular additional income could be deemed to be funding for synod managers. It would be unlikely that a full set of 13 could be afforded in the near term but managers could be added as income grew, starting with synods with the least wealth of their own. This funding option depends on income growing but would provide an extra incentive for synods to grow their M&M giving as they would know that synods would benefit directly.

****In the light of this further reflection, should the principle of paid synod managers, funded centrally, be pursued?**

****If so, which funding option for synod managers would you think best?**

Sharing Synod Wealth

17) Currently the entirely voluntary Inter-Synod Resource Sharing process invites each synod each year to consider whether they would be willing to make a donation into the pot and also invites each synod to put forward specific bids for grants from the pot. A small Task Group, appointed by the synods and chaired by a synod moderator, seeks to allocate available money as fairly as possible. In recent years between £250k and £500k a year has been given and redistributed through this process.

18) Although the majority of synods contribute something, currently the Resource Sharing process is heavily dependent on the gifts of just two synods (75% of 2013 income) and gives the bulk of its funds to just two synods (85% of 2013 grants).

19) In addition to the Resource Sharing process, Assembly has in the past urged synods to give a share of the proceeds of the sale of property (eg 10%) to the Ministers' Pension Fund and to the Retired Ministers Housing Society. Most synods made some response to these requests, although not always in the form suggested. In addition to these processes relating to synod funds, the gifts from local churches to the M&M Fund makes possible a substantial redistribution of money from richer areas to poorer ones.

20) In responding to the Mission Council request to explore a more significant Inter-Synod Resource Sharing process, there are several questions to be addressed. The first is what should be included in any calculation of synod "wealth" as a basis for deciding how much should be shared. There are three main elements to be considered.

(a) What wealth should we include?

21) **Wealth Element 1: financial investments.** History from long before the United Reformed Church was founded has resulted in different synods having very different levels of investments. The wealthiest synod has around twenty times as much as the poorest. Thus if they followed identical investment strategies, the richest would expect an investment income twenty times larger each year than the poorest. This increases inequality rather than reducing it. MTSG recommends that investment income should be included in any new sharing process.

22) **Wealth Element 2: income from church buildings sales.** All synods make use of income from property sales to help balance their regular budget and some are heavily dependent on this source. Nonetheless it is a further cause of inequality in that, for

example, in north London a building can often fetch four or more times the amount the same building would produce if sold in a South Wales valley. There is therefore an argument for including this income in any new sharing process and MTSG recommends that it should be included.

23) In recommending this, MTSG is aware of a complication that has caused both confusion and tension in the existing Inter Synod Resource Sharing process. Whilst every synod operates under the same United Reformed Church Acts and therefore the same legislative framework regarding the ownership of assets, different synods have evolved different practices about the division of responsibility between the local congregation and the relevant synod trust. This means that in practice in some synods a larger share of the total proceeds of buildings sales flows into the synod's own accounts than in other synods. The wealth a synod holds as a result of sales is therefore only partly the result of factors outside the synod's control. The moral argument for transferring resources to poorer synods to compensate for factors outside their control is clearly not the same as an argument for transferring resources to address differences created by a synod's chosen policies.

24) It is highly unlikely that complete parity of treatment of the proceeds of building sales is about to materialise. MTSG believe that while synods might be encouraged towards greater comparability in the way they treat asset sales, the differences in the scale of resources available to different synods are so large, and not principally generated by differences of accounting treatments, that the Church should be challenged to address these inequalities now and not use the different treatments of asset sales as an excuse to avoid the underlying issue. Therefore MTSG recommends that income from church buildings sales should be included in the resources shared.

25) **Wealth Element 3: income from sale of manses.** The position regarding manses is very substantially different in different synods. In several the churches have agreed to centralise manse costs and proceeds of manse sales, and so fund new manses and major improvements of manses from a ringfenced synod fund. This provides some assurance that money will be available when needed and fits well with the Assembly's concern that our ministers do not suffer as a result of financial stresses in the Church. In other synods the sale of a manse is essentially a local matter and funds realised stay local. In these circumstances, bringing synod receipts from the sale of manses into any resource sharing scheme would penalise synods who have devised a central manse scheme. MTSG recommends manse sales proceeds are not part of a new inter-synod scheme.

****Which synod wealth elements do you think should be included in a sharing scheme?**

(b) Church House as Synod 14?

26) Several members of Mission Council suggested that in any enhanced inter-synod resource sharing process Church House should be included as, in effect, a 14th synod. In practice of course money spent through the central Church budget on Church House activities and staff is already used for the benefit of all synods regardless of their own wealth. To take some of this money away to provide larger grants to certain synods would obviously reduce the services available to all synods. It is a moot point whether this enhances or detracts from a sense of the United Reformed Church being one community.

27) In terms of wealth held centrally, the general budget does not have any regular income from the sales of property. (The sale proceeds of surplus houses previously occupied by retired ministers are handled separately by the Retired Ministers Housing Society and devoted to the purchase of other houses for retired ministers.) Investment income to the general budget is on a comparable scale to that of the wealthier synods. If partly diverted into a synod sharing process it would not have a dramatic effect on the overall total available. The Assembly work it currently supports would need to end.

28) The bulk of the resources available to the central budget comes from M&M giving. A radical version of making Church House Synod 14 would be to amalgamate the funds of the synods with the M&M fund. All central and synod costs would then come from a single pot. The legal and technical difficulties of achieving this would be legion but even if it were feasible, the blurring of accountability for different funds between Assembly and the synods would be a distinct disadvantage.

29) On balance, MTSG recommends that we do not attempt to include Church House funds as a Synod 14 in any enhanced resource sharing.

****Should we continue work on how to incorporate Church House funds into inter-synod resource sharing?**

(c) Options for Enhanced Resource Sharing

30) Assuming consensus can be reached on what types of wealth to include in further synod resource sharing, there is the question of how an enhanced process could work. It needs to be remembered that the Assembly cannot instruct synods what to do with their own resources and so any process has to proceed by persuasion.

31) The existing Inter-Synod Resource Sharing process has also revealed how complicated it is to bring the different accounting conventions of different synods into sufficient alignment that comparable, agreed figures about resources can be achieved. For the purpose of this paper, MTSG simply notes that area of work and considers the principles on the assumption that some tolerable base figures for each synod could be agreed. MTSG does not think that a failure to achieve complete comparability of accounting treatments in different synods should be used as a reason to delay making any movement towards greater fairness in resource sharing.

Option 1: voluntary offer

32) A first option would be for the Assembly to adopt more formally as its own the synods' existing voluntary sharing scheme. The Assembly might urge every synod to make some contribution to the pot as a matter of principle even if for some synods it was a small donation. Assembly might suggest that each synod, by a specified date, makes an explicit decision about a percentage of all its annual income from investments and church building sales to donate each year.

33) This approach might give the process a higher profile and a fresh impetus and increase the donations from synods. However if this were the process, the resulting available funds would still be unpredictable. It would only be possible to distribute money after it had been donated and would need a group similar to the existing Task Group to assess requests from synods for support.

Option 2: guided donations

34) A greater shift from the status quo would be for Assembly to set a suggested level of donation from synods, perhaps as a percentage of their income from church buildings sales and investments. A possible approach would be to set a low initial percentage and gradually increase this in order to minimise the disruption but still to reach over a period of years a substantially larger flow of funds than under the current system. For example, synods could all be asked for 5% for a central pot initially and then have the percentage increased by two percentage points a year until it reached 25% ten years later.

35) A broad estimate of the income to synods from investment and property sales is of the order of £4m a year, so a 5% levy would produce a similar amount to the present sharing system but a 25% levy, for example, would yield the significantly larger £1m. This assumes that all synods were willing to agree to join in the scheme and income did not decline.

36) With such a scheme the proceeds in a given year would be possible to estimate in advance. It would need to be decided on what basis they were shared. Options include the following; more complex and less transparent formulae are obviously also possible.

(i) Option A: through a bidding system as now
(ii) Option B: distributed to 13 synods in equal shares
(iii) Option C: distributed to synods on the basis of their church membership figures
(iv) Option D: distributed to synods on the basis of their wealth, eg 0% to each of the three wealthiest synods; 5% to each of the next three most wealthy synods; 10% to each of the next four most wealthy synods; 15% to each of the three poorest synods
(v) Option E: a guaranteed minimum income for all synods; if there was any money left over after distributing grants to ensure this, distribute it as in Option A.

37) Using the best data currently available, MTSG has calculated how these various options would work out in practice in terms of net flows of resource between synods. The actual sums would change year by year because of the uneven flow of income, especially from property sales. However in most years Options B, C and D would result in a good deal of administration for a rather modest movement of funds. Most synods would be net contributors or net recipients of sums less than £50k. Perhaps more importantly, the spreading of the money would mean the resources moving to Wales and Scotland would be very much less than under the present system.

38) Given Mission Council's reluctance to contemplate any change in the numbers and basic structure of the 13 synods, MTSG assumes a key objective for Mission Council is to achieve a resource sharing pattern that continues to provide significant net inflows to the poorest synods. If this is a principal objective, MTSG recommends Option E. By aiming to provide a minimum level of income to every Synod, in a typical year most of the benefit of the resource sharing would continue to flow to the poorest Synods. Only in a year of unusually high income would the sharing process provide significant funding to any of the other synods.

39) Setting a minimum level of income for a synod would inevitably be a somewhat arbitrary calculation. The current Inter-Synod Resource Sharing Task Group has worked on what resources a synod needs to cover all the tasks the Church requires. Taking account of this and noting the accounts of the various synods, MTSG suggests we might set £400k as the minimum amount a synod needs to run itself. The majority of synods currently spend more than that, some several times that amount, but several work on expenditure rather below that level so it seems a reasonable threshold.

40) If £400k were taken as the minimum income level, then the resource sharing process could make known to all synods the amount needed in the pot each year to ensure the poorer synods could have their internally generated income topped up to £400k. This would give a clearer steer than at present to synods about the amounts they might contribute to the process in a particular year. It would remain the decision of each synod how much they chose to give; and so ensuring that the minimum threshold was reached for every synod would be dependent upon synods working together to increase the total in the pot, if initial offers in any given year left a shortfall.

41) This approach could provide a more predictable flow of resources to synods than the present entirely voluntary system but would still not provide any guarantees to

help with medium term planning. A possible way to make the flow of resources more predictable would be to build up a reserve to even out the fluctuations in income. Creating a reserve would require a proportion of the income in the initial years to be held back, rather than 100% being distributed to synods immediately.

****Would you favour the "voluntary offer" or the "guided donation" approach?**

****If the guided donation approach were adopted, do you agree Option E would best serve the Church's mission?**

****Would you favour holding back a proportion of the income coming into the system in order to build up a reserve?**

Next Steps

42) If Mission Council finds a consensus of how it wishes to proceed, MTSG suggests the Finance Committee be asked to develop how decisions should be implemented. If Mission Council wishes to amend the Inter-Synod Resource Sharing process, MTSG would propose the existing Task Group should undertake the consultation and co-ordination necessary for the chosen outcome. If at any point the Task Group felt that there were policy questions that needed attention they would be encouraged to raise this initially with the Finance Committee.

Job Description for role of Synod Manager

The following paragraphs outline a generic job description for a Synod Manager. The role could combine that of the Trust/Finance Officer, Office Manager and Synod Clerk.

Key Purpose

To be responsible for the Management of the Synod Office and its staff and to have oversight of the undertaking of the administration carried out within the Synod Office to contribute to its development and mission.

Reporting

The Moderator and the Executive Committee of the Synod.
The Synod Manager to have regular meetings with the Moderator and other Synod Officers to share and discuss the leadership of the Synod.

Duties and Responsibilities

Human Resources

1. To be responsible for recruitment, training and development of Synod Office staff and to be Line Manager to all office based staff.

2. Definition of line management: The Synod Manager does not have direct 'operational' responsibilities for staff. These fall to the individuals/committees/Moderator who direct the staff members in their day to day activity. There needs to be close co-operation between the Synod Manager and the 'operational managers'. Line management activities are as defined in the following paragraphs.

3. Job description. Maintain and update as required in consultation with 'operational managers'.

4. Remuneration. Agree with 'operational managers' and Treasurer and recommend reviews of pay to the Trustees.

5. Recruitment. Work with operational manager (and others) in:
   i. advertising post (as appropriate)
   ii. interview and selection processes
   iii. issue of job contract

6. Job contract / conditions of service. Issue (for new employee), and maintain and update as required.

7. Regular meetings with staff members to:
   - ensure that each member of staff understands his/her responsibilities
   - provide a safe environment for the employee to raise and discuss any issue pertaining to the synod and its activities
   - agree training needs
   - provide a route for escalation of any issues that the employee may have
   - carry out an annual development review

8. Expenses and holidays. Agree and implement sign off process and inform the moderator/operational managers accordingly.

9. Overtime payments (if applicable). Agree with 'operational manager', sign off and submit to xxx.

10. Annual performance / development review – With 'operational managers' as appropriate

11. Grievances. First port of call for any differences that cannot be settled directly with 'operations manager'.

12. Be responsible for the provision of employment periphery, e.g. laptop / mobile phone / contracts / travel.

13. Undertake any disciplinary procedures.

Procurement

14. To ensure value for money in purchase of Synod supplies, contracts, services and equipment, including the establishing and managing tendering procedures.

15. To be responsible for the co-ordination and organisation of Synod Committee meetings and to collaborate with working groups and individuals undertaking specific pieces of work.

Communication and Networking

16. Work with others to update and maintain the Synod website.

17. To develop working relationships with other Synod Managers to share good practice.

Governance and Compliance

18. To ensure that the annual return and accounts are filed on time with Companies House and the Charities Commission.

19. Health and Safety Officer for the Synod, ensuring Health and Safety policies are in place in addition to liaising with churches on health and safety issues.

20. Safeguarding Officer for the Synod ensuring correct policies and procedures are in place in addition to liaising with churches on safeguarding issues.

21. Ensuring that there is adequate insurance of Synod properties and equipment to include regular review of policies.

22. In conjunction with the Trustees, ensuring regular review of the Risk Register.