



**Financial and Legal information
as presented at a public meeting with Save the Parish
Loughborough Town Hall
27 November 2023**

Introduction

These slides, taken from the public meeting with Save the Parish at Loughborough Town Hall on 27 November 2023, provide financial information that explains how Leicester Diocese could find more money to fund clergy, why Minster Schemes do not work for parishioners, and why they will not improve the financial position if implemented.

Additionally there is a legal explanation of the importance of the PCC in determining the future of your church.

This information might also be valuable for people in other dioceses who are being 'offered' mega-parish schemes.



The Finance Appraisal: Our Panel

Stephen Billyeald
(Former Retail Managing Director, & PCC Treasurer)

Sir James Burnell-Nugent
(Admiral, and Board Member of Save the Parish)

Andrew Orange
(Chartered Accountant, & laity rep on General Synod)



Three key points:

- **Instead of creating Minster Communities, Leicester Diocese could create financial headroom to deploy more clergy**
- **Minster Communities do not work for parishioners**
- **Minster Communities do not improve things financially**

Speaker: Stephen Billyeald

Diocesan Costs Comparison				
	Leicester	Peterborough	Derby	Coventry
Clergy numbers	127	135	122	105
Diocesan staff (fte)	63	43	44	42
Ratio (national 3.5:1)	2:1	3:1	3.7:1	2.5:1
	£'000	£'000	£'000	£'000
Direct clergy cost	6,635	7,202	6,355	6,052
Ministry support	3,458	2,053	2,092	2,553
Other diocesan costs	1,763	1,111	972	1,135
<p>Leicester should have cut diocesan costs before cutting parish clergy</p> <p>Leicester should seek to share services and resources with neighbouring dioceses</p> <p>Any three of these dioceses added together will be a similar size to Oxford diocese</p>				

- These dioceses are of similar size, so make an appropriate comparison to Leicester.
- Stipendiary clergy numbers are similar, but Diocesan staff numbers are markedly higher in Leicester v others, mainly because of additional staff in St Martin's House.
- Direct clergy costs reflect clergy numbers – they include stipend, NI, pension and housing
- Ministry Support varies from diocese to diocese in terms of what is included – some give more detail than others. Can include archdeacons, training (clergy & lay), mission work, youth work, stewardship support, asset management, DAC, legal, general advice – Leicester gives very little detail, Peterborough gives a lot
- Other diocesan costs are costs that cannot be allocated to parish support – for example, contributions to national church, schools, certain grants & donations
- Leicester total diocesan costs >£5m v £3m in Peterborough & Derby and £3.7m Coventry
- We acknowledge that some staff and up to £1m costs relate to St Martin's House Conference Centre; this still leaves Leicester's costs some £1m higher than the other three dioceses.
- Leicester should have cut diocesan costs before cutting clergy
- Leicester say they have cut diocesan costs – ministry and other – by £300k in 2022/3 but this still puts Leicester well above its neighbours.
- Leicester should consider sharing services and resources with neighbouring dioceses
- These small dioceses are below critical mass - three of these dioceses added together would be a similar size to Oxford diocese

Potential Diocesan Savings to Fund Clergy



Save £1m costs to bring in line with neighbours	= +18 clergy
Sell SMH Conference Centre save £380k pa deficit	= +7 clergy
Estimated sale proceeds £4m invested at 4% (£160k pa)	= +3 clergy
Total additional clergy from cost savings	= +28 clergy

- A cut of £1m would bring Leicester closer in line with neighbouring dioceses = 18 clergy
- Leicester will say that several of their staff are employed in the St Martin's House Conference Centre. SMH has shown a deficit of over £3m for last 5 years = £600pa. In 2022 it lost £380k = 7 clergy
- Current value of SMH Conference Centre is £4.425m, which could be invested at 4% = 160k pa = 3 clergy
- A total of 28 additional clergy could be funded from these savings
- There is a strong intellectual case to merge dioceses but it would require leadership from bishops, not likely in the near future. Therefore better to focus efforts on persuading dioceses to share services and resources, thereby relieving them of the burden of bureaucracy to give priority to mission and pastoral work. There is support from National Church in this respect.
 - "The Dioceses Commission would very much like to encourage and support inter-diocesan collaboration....."
 - "There is evidence that operating at scale, pooling talent and sharing resourcing can deliver savings as well as increasing breadth and resilience, thus giving the opportunity to deliver more and better services to our parishes. We therefore strongly encourage dioceses to explore inter-diocesan collaboration and to integrate this into their diocesan strategies. We want this form of collaboration to be the norm rather than the exception."
- So it can be done!



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Speaker: James Burnell-Nugent



There is evidence Minster schemes do not work - and no evidence that they do work:

CofE Report - From Anecdote to Evidence:

“... amalgamations of churches are more likely to decline. Moreover, the larger the number of churches in the amalgamation the more likely they are to decline.”

“Team ministries are less likely to grow than non-teams and perform markedly worse than churches with their own incumbent.”

CofE Report - Going Deeper:

“Where there is an increase in stipendiary clergy, there is a greater likelihood of growth, a decrease in stipendiary clergy is more likely, on average, to lead to decline.”



More evidence:

Independent Report by Sir Robert Chote:

“[We] have still been struck by a broader lack of trust and unity of purpose for which these [funding] schemes seem to serve as a lightning rod.”

‘Local Mission Areas’ in Church of Wales:

“Our small, beautiful, much loved church is in imminent danger of being closed by the Diocese of St. Asaph. We are not alone in this plight and, like churches in England, churches in Wales are being closed at an unbelievable rate, and for no good reason. Finance of course being the reason given. I simply cannot convey to you how sad, let-down and disheartened we all feel at the situation we are facing.”



What about the 329,000 people in Wigan?

Diocese of Liverpool project - Transforming Wigan:

- 33 churches in 29 parishes have been merged into one benefice of 7 new “hubs”.
- Original PCCs terminated and all assets transferred to Deanery
- Congregations down by 1/3; Giving down by 1/3; promised legacies withdrawn
- Liverpool Diocese reports “ineffective communication... clergy and laity not on board... resistance to accepting team of clergy... focus on changing culture... lacked a formal written plan that could be shared more widely with parishioners... and which could not be measured... perceived lack of accountability to parishioners.”
- 19 out of 33 churches identified for closure
- **Original parishes no longer have PCCs so have lost all their rights of representation**

The Wigan project was an experiment in running parishes as a large agglomeration. The Minster Communities proposal of Leicester Diocese is of course not exactly the same, but it clings to the same mistaken idea that it is 'better' to run things as a large group than as individual parishes.

The third bullet is the key one: the Wigan project drove away a full third of its congregations and likewise giving collapsed by a third.

At a minimum, these learnings from Wigan place a substantial question mark against the wisdom of implementing the similar Minster Communities scheme in Leicester Diocese.



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Speaker: Andrew Orange

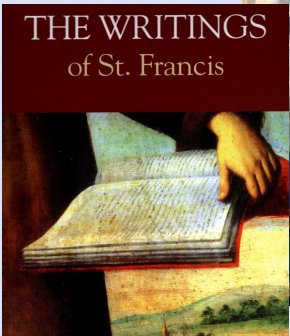
First of all, it is bad to add layers of Bureaucracy

C of E

- Archbishops
- Dioceses
- Deanery
- Minsters
- Benefices
- Parish

"All the Brothers in whatever places they may be, are not to be administrators nor chancery officials.

Each should continue in that craft and work that was his when he was called"



**THE WRITINGS
of St. Francis**



St Francis of Assisi – by El Greco

When wondering what to do, it is wise to consider the example of great people. St Francis had an extraordinary impact on 13th century Europe, gaining large numbers of new followers. In his instructions to his Brothers reproduced here, he is abundantly clear that all should go out and preach the word directly according to their crafts and talents. He recognised the risk that bureaucracy drains both time and money, and he advised to avoid it.

In the 21st century Church of England, of course we need some administration and chancery officials. However, as shown on the left of this slide we already have (in purple) 5 tiers of administration and now, far from simplifying things, we are proposing to add Minsters as a 6th tier. This makes no sense, neither financially nor as an effective way to deploy clergy unless, of course, the medium term objective is to get rid of benefices and parishes, which is something we would very much oppose.

(This slide was omitted on the evening itself, because of time pressures)

A Call to Action

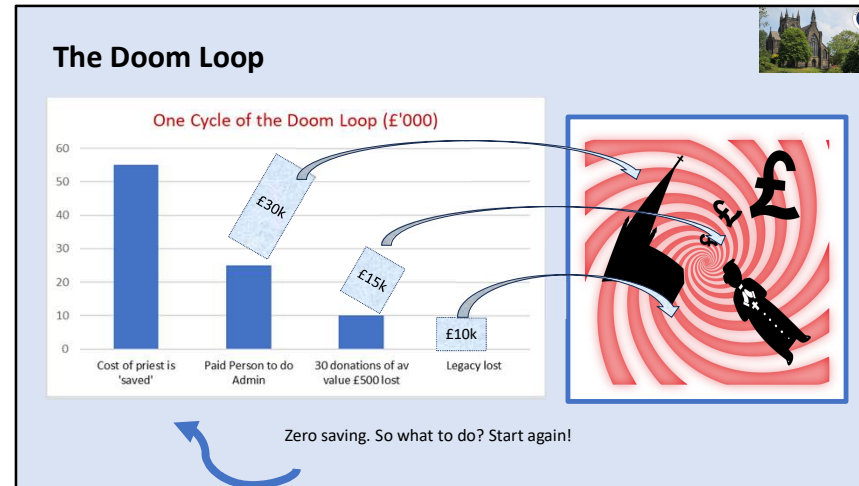


- If you don't want it, get that clearly recorded by your PCC

"Yes it will be a choice for each PCC. No church can be forced to join a Minster Community" - Leicester Minster Community FAQs
- Show you value having a local parish priest
- Ask to keep the local rectory or vicarage
- Demonstrate your determination to run your church, with your vicar
- Be clear that donations come from people in support of their local church

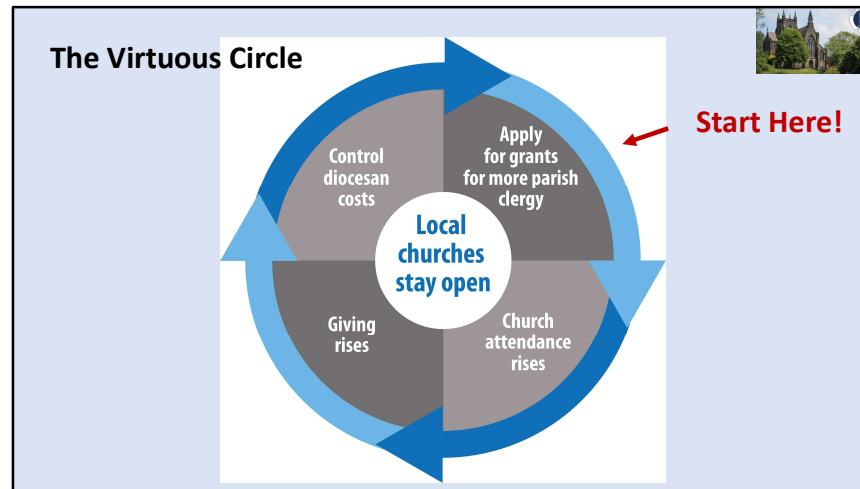
The recorded opposition of the PCCs was the most important reason we got a favourable conclusion, in our appeal to Church Commissioners to stop a mega-scheme proposed by Winchester Diocese

- If you only remember one thing from my presentation tonight, let it be this: that you must register your opposition to the scheme. Do it politely, stay Christian about the way you do it, but record the fact that you don't want it. If your vicar or rector wants you to go along with the Minster Scheme, be sensitive to the difficult position they may be in, perhaps they are under pressure. Yet still record your point. Ideally do this in a PCC minute or, if that is impossible, do it in a letter signed by PCC members. But do it! For let me convey the good news that even today, the Church still does not like to do things against the expressed wishes of PCCs. In the case I knew in Winchester, the fact that PCCs had expressed opposition was a major factor which helped secure our success.
- In the Leicester FAQ on this scheme, it is made quite clear that you have the choice. There are some dark words from the diocese that, if you do oppose, you may not be allocated so much resource – but surely you must not be daunted by that, instead making your view quite clear.
- There are 4 other points here, the first two about having a priest who is known and active pastorally, and lives in the nearby rectory or vicarage. The third and fourth bullet about having active lay support, providing the church time and money. They are all to put an underline on the importance of local.



Schemes such as this Minster Scheme are partly driven by financial worry. As the first column of the chart shows, the cost of employing a vicar is reckoned to be, with housing expenses included, about £55,000 pa. But the laying-off of a vicar, far from making a financial saving, propels the church into a doom loop. The numbers here are illustrative, but they'll serve to give you the idea:

- Who are the volunteers going to be, to be secretary, treasurer, events organiser, and so on, for 24 parishes covering not 10 sq miles as would be the case for a parish, but something over 100 sq miles? Few of us would volunteer for such a punishing schedule of activity. So we'll end up employing administrators – and then (say) £30k goes back into the vortex.
- I've written letters asking for money, to those in my local church area. They responded with wonderful generosity. Yet it's clear, they responded as fellow villagers, keen to support the activity in their local village church. If their local church becomes half moribund, not always having services; and if it is primarily accountable not to the village, but to the Minster, what do we think will happen they will stop giving. I project 30 annual donations and £500 as a very rough average. $30 \times £500 = £15,000$ lost.
- Finally legacies. The more the Church's future looks uncertain, the less legacies we will receive. Another £10,000 lost, so we are back to zero! At the end of the doom loop the causation will never be acknowledged, so what will they do? Of course, they'll start all over again, laying-off another member of the clergy!



That's no good. Let us instead turn the Doom Loop into a virtuous circle.

It's so obvious I hardly need to read it out! Just prime the pump with some seed capital from a grant. See how that attracts more parishioners. See how those parishioners start to add to the church's income. And then, free up some of those overhead costs, to fund more grants, and more parishioners again. Act this way, and we reignite the church rather than closing it down.



Legal Issues

**The Rev'd Paul Benfield
(priest, barrister and a former diocesan registrar)**

Legal Considerations

1. The fact that Diocesan Synod has approved the plan for minster communities does not mean that they are a done and dusted deal. Parishes still have to agree to proposals affecting them.
2. In a video by Bishop Martyn made in October 2021 about the proposals for Mission Communities before the Diocesan Synod voted on this plan Bishop Martyn said 'We are very clear that the parish church remains central to these proposals. PCCs will have to agree any proposals for their locality. Incumbents will have to agree and be part of those conversations The legal rights if you like of incumbents and PCCs remain absolutely central'
3. That is crucial, the legal rights of incumbents and PCCs remain absolutely central. So what are those rights?
 - (i) The starting point is that Holy Communion must be celebrated in at least one church in each benefice every Sunday, Principal Feast Day, Ash Wednesday and Maundy Thursday.
 - (ii) That can only be dispensed with on an occasional basis by the minister who has the cure of souls and each PCC of the benefice acting jointly. Each PCC must agree to there being no holy communion in the benefice on a Sunday. No bishop, no Archdeacon, no Area Dean, no Oversight Minister can override those rights of PCCs.
4. Recently the Bishop of Portsmouth ordered that worship would cease in one of his churches in January so that it could become a resource church. Some 25 people were receiving the sacrament of the altar every week in that church, but no matter about them – the Bishop had plans and the Bishop had spoken! However, because the parishioners sought advice, the PCC was able to tell the bishop that he had exceeded his powers and worship could only cease with their agreement. The bishop had to appear in that church and apologise. Worship will continue there but only because of the PCC knowing its rights.

Legal Considerations (cont'd)

5. So because PCCs have such an important role to play it means that you need to keep your individual PCCs. Do not be tempted to form a joint PCC or to go into a larger parish with just one PCC. If you do that you will have lost some of your powers in such matters. It can be tempting to think that having a joint PCC with other parishes or going into one large parish which takes over what were several independent parishes will save on administration – archdeacons and others may come and try and persuade you of this. But do not be beguiled. If you lose your own PCC you still need churchwardens, you still need someone to look after collections, you still need someone to tend the heating and the gutters. But if you go into a larger parish or have a joint PCC you will lose your independence. Depending on how it is done you may lose control of your finances as money is paid into a central pot.

6. And if there is a large PCC you may be outvoted by others – perhaps with a different churchmanship – when it comes to ensuring that Holy Communion or other services are available in the benefice every week

7. It may be that your parish has been in vacancy for a long time with no priest. If so find out why. Has the right to present an incumbent to the living been suspended? If so, why? Did the required consultations take place before the right to appoint an incumbent was suspended? There will be a patron of each benefice who has the right to appoint an incumbent (together with the bishop and the parish reps). They may be able to assist you. Find out who it is – it may be an individual, it may be a patronage society, it may be an Oxbridge College, it may even be the Crown. Of course, the patron may be the bishop who is proposing the minster communities model, but if your patron is someone other than the bishop contact them. If you do not know who your patron is the Diocesan Registrar holds a register of patrons which is a public document.

8. If further down the line there are proposals for pastoral re-organisation - perhaps to form a larger benefice in the mission community then PCCs will have statutory rights to be consulted and make representations. These rights include appearing before the Church Commissioners and even in some cases the Privy Council. Take advice and use those rights.

9. So, if you take nothing else away from me this evening -keep your own individual PCC and engage with every proposal or consultation. That way you will have the best chance of saving your parish!