

General Synod, York, 7 – 11 July 2006

Financial Regulations

As of 31 December 2006, PCC's will have to comply with the same financial regulations as charities. This is a change, which will allow a more streamlined approach and hopefully there will not have to be any more changes in the foreseeable future. There is one difference to charities in that PCC's with an income under £10,000 **will** have to have their accounts examined. There are no additional responsibilities on PCC's.

Pensions

The Pensions Board, of which I am a member, has requested a 6% increase in pension contributions from January 2007, ie 33.8% to 39.8%. A presentation from the Pensions Board described the various possibilities of dealing with the deficit in the Clergy Pension Fund. The preferred option of the Archbishops' Task Group is that (i) future post retirement increases should be linked to increases in the retail prices index rather than the percentage increase in stipends as currently. This would reduce the pension contribution by 2.5% or £451 per person. (ii) To increase the number of years service necessary for a full pension from 37 to 40 years. This would reduce the pension contribution by 2.2% or £397 per person. In total this would reduce the contribution by 4.7% or £848 per scheme member per annum.

The above would reduce the pension's liability of the Church Commissioners for all pensions up to 1998 by a capital value of around £180m. This should enable the Commissioners to increase their distribution for non pension's purposes by about £4.4m.

Increasing the years necessary for a full pension to 40 does not mean serving clergy will have to work for 3 more years. All service, at the date of any change, would be "banked" at 37 year's accrual. The net effect for those nearing retirement would be small and measured in weeks or a few months.

A question was asked as to what the pension would be now if increases had been linked to RPI 10 years ago. The answer indicated that the pension would be £2000 or so less.

Parochial Fees

An increase in fees of 5% was approved. There was some disquiet at the increase in Marriage Fees as in some poorer areas couples struggle to pay the bill but in other areas the fees are a tiny proportion of the total bill. There was a suggestion that funeral fees should rise significantly. One incumbent in the London area was already charging £2000 for burials in order to raise sufficient funds to maintain the churchyard.

Church Commissioners

The Commissioners made their biennial report. They experienced 11% growth in their funds in the past year putting them in the top 1%, way ahead of price or earning's increases. Success!

The main uses of their money are:

Cost of pensions to 1998.

Stipend and costs of bishops, deans, and 2 Commissioner canons per diocese.

Diocesan help and Parish Mission funding.

The Commissioners could 'bail out' the Pensions Board BUT it would diminish their ability to help poorer dioceses. In 2005 they £25m to dioceses. Derby got £1.6m.

Carbon Dioxide Emissions

A motion from the Southwark Diocesan Synod, on carbon dioxide emissions, had made its way through the system and came before synod. There was agreement on the fact that we should all do our part, ride bikes, turn TV's off, stop flying so much, install long life bulbs and so on. The motion was overwhelmingly passed and one immediate result was that a fair proportion of the ceiling lights were turned off for the rest of our time.

Octavia Hill Estates

The sale of this estate in the Southwark Diocese by the Church Commissioners, to a non-charitable body (Grainger GenInvest LLP), has caused much controversy. It is said that the sale has had a serious impact on the mission of the local church in the area and too on the reputation of the Church of England. The first part of the original motion was critical of the Church Commissioners but in the end the criticism was not made as the motion was split and the Commissioners and their Assets Committee were asked to consider how they might seek the views of General before making such decisions in future and report back to General Synod by July 2007.