

### **Cowley Deanery Synod motion on SSM/ LLM Parochial Fees: Diocesan response**

The paper by the Area Dean of Cowley sets out arguments for Self-Supporting Ministers (SSMs) and Licensed Lay Ministers (LLMs) to be able to claim the same proportion of fees (currently two-thirds) that retired clergy are able to do so if their PCC agrees and following consultation with the Archdeacon.

The two main arguments against making this change are

- that SSMs and LLMs are non-stipendiary roles with role-holders having full entitlement to expenses but neither an entitlement to nor an expectation of remuneration for services carried out, in the same way as the many other roles carried out on a non-stipendiary/volunteer basis throughout the Church.
- That the Minister's fee for occasional offices (weddings and funerals) is intended to defray the cost of stipendiary clergy met by parish share and any amounts paid to LLMs and SSMs will increase the net cost borne by parish share

The requirement for the agreement of the PCC and for the Archdeacon to be consulted may well reduce the amount that can be claimed, but potentially introduce an inequity if PCCs take different decisions in the same circumstances.

The remainder of this paper comments on the financial implications for the consideration of Synod members in deciding how to vote on this motion.

The ODBF portion of Parochial Fees is currently reimbursed in full to each deanery through the Parish Share scheme. Under the Parish Share Review changes, fees reduce the net cost of each minister charged to the deanery and are applied pro rata to stipendiary clergy numbers. Under either scenario, any new amounts paid to SSMs or LLMs will increase parish share by that amount.

We have reviewed the impact if we gave 2/3rds of the ODBF portion of Parochial Fee to SSMs and LLMs, as we currently do for retired clergy with PTO.

The following assumptions were made:

- All benefices that have either an SSM or LLM were identified.
- Where there is at least 1 SSM or LLM, an assumption was made that 80% of the fees that we receive for Weddings and Funerals would come from a service taken by an SSM or LLM.
- Two-thirds of that 80% was calculated to obtain the fee that would be paid to the SSM or LLM with the remaining one-third of the fee coming to ODBF.

We have not identified services that have been taken by retired clergy with PTO at a reduced fee already, so any impact is probably slightly over-estimated.

Based on the 2023 budgeted Parochial Fees returned to ODBF of £950,000, approximately £300,000 would have been paid to SSMs/LLMs rather than be returned to ODBF (approximately 32%). This does assume a full take-up by SSMs/LLMs.

We have surveyed other Dioceses on this matter and there is little commonality in policy. For example, Exeter pay nothing, Gloucester 2/3rds of the DBF fee, and Hereford pay a flat fee of £60 per service.

A south west diocese has a policy quite similar to the current Synod proposal. It should be noted that an estimated 44% of their SSMs/LLMs signed up to receive a portion (80%) of the DBF fee

proportion, but this is not always actually claimed. In any one month, only 10% of the entire cohort would make a claim.

Therefore, based on the above analysis, the total fees paid to SSMs/LLMs would be somewhere between £30,000 to £300,000.

The impact of this reduction of Parochial Fees returned to ODBF would be seen in the Parish Share allocation, in that the Parish Share requirement would increase due to a reduced level of fee reimbursement. If the Synod proposal is accepted, the Parish Share allocation for 2023 and beyond would need to be adjusted to take this into account.

**The impact on the Parish Share requirement would be an increase of between 0.15% and 1.5%.**

This is of course a wide range. If Diocesan Synod passes this motion it would have to be ready for the net additional cost to be towards the upper end of this range, for example 1%, as this would establish a formal entitlement to claim these amounts. The requirement in the wording of the motion for the PCC to agree and for the Archdeacon to be consulted is likely to reduce the cost in additional parish share, but it is not possible to assess the effect of this.

The extra cost would have to sit outside the capping mechanism (as it would not be balanced by reductions to the diocesan budget). **If for example the extra cost were to become at the level of approximately £200,000 (two-thirds of the way up the range above) then the parish share payable by each deanery would increase by approximately 1% from the levels currently communicated.**

The Finance Committee has not yet considered when deaneries would need to pay the extra amount if the motion is passed and would do so in September. As there is such uncertainty over the extra amount, the Finance Committee may decide not to increase the Share request for 2023 immediately but to recover the additional amount retrospectively when there is a clearer sense of the amounts being claimed. It is expected that, if passed, the effect might be more modest initially but increase later (which may be a time when parish share is under even greater pressure).

### **Recompense for loss of earnings?**

An alternative solution has been suggested for parishes or the diocese to offer loss of earnings compensation similar, perhaps, to that offered to General Synod members. This would mean that in those fewer contexts where an SSM/LLM was having to take unpaid leave (or not carry out chargeable work) to do the service they would not be out of pocket for doing so. The current General Synod policy in that context is as follows:

*'Payment can be made to lay persons for ACTUAL loss of earnings, subject to the maximum amount of £175.00 per day as recommended by the Standing Committee of the Archbishops' Council.*

*This must be supported by the following documentation: Self-employed: a self-certificate that they have forgone that amount of income. For those who are self-employed the amount is taxable as the allowance is being paid to compensate him/her for loss of profit. In paid employment a certificate from the employer (i) that unpaid leave is being taken and (ii) of the cost to the employee (i.e. pay forgone after tax is deducted). For those who are in paid employment the amount is not taxable provided that the payment is calculated to do no more than replace the salary that the employee would otherwise have received from his/her employer.'*

If, for example, two hours are needed to take a Service, the loss of earnings might be  $\pounds 175/7 * 2 = \pounds 50$ . This compares to the fees system which would pay  $2/3^{\text{rd}}$  of  $\pounds 108$  for a funeral (equals  $\pounds 72$ ) or  $2/3^{\text{rd}}$  of  $\pounds 42$  for a cremation service (equals  $\pounds 28$ ). It is also difficult to estimate the cost of this on Parish Share but it would be expected to produce a much lower impact as many SSMS/ LLMs would not fall within these criteria such that there would not be any noticeable increase in Parish Share.

The Chair of the Finance Committee is happy to commit, if the motion is not passed, that the Committee will look at putting in place a system under which SSMS and LLMs could claim loss of earnings.

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