

 <p>The United Reformed Church</p>	<p><b>Thames North Synod</b>  <b>16<sup>th</sup> March 2019</b>  <b>Ministry &amp; Mission Formula</b>  <b>Review – Final Report</b></p>	<p><b>Paper</b>  <b>E</b></p>
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## **1 Introduction:**

This report is a response to the resolution agreed at the Synod held on 17 March 2018 requesting the Resources Committee to carry out a review of the current Thames North Ministry and Mission (M & M) formula.

## **2 The Ministry and Mission Fund and its Operation**

- The M & M Fund operates in accordance with the Plan for Partnership, adopted by General Assembly in 1980. The Plan provides for the resourcing of the ministry of the whole United Reformed Church (URC). This includes ministerial stipends and employment costs, ministers' pensions, training costs and the running costs for the central church. The Plan requires churches to contribute to the M & M Fund according to their means. The Plan makes no explicit link between ministry received and contributions made. In agreeing the current formula, the Synod meeting and its trustees have always accepted this was the case.
- Each Synod is responsible for deciding how the contribution of each church shall be determined. As a result, some Synods contribute more and some less than the costs of ministry received. The Fund thus recognises that some Synods are wealthier than others, with the former supporting the latter to ensure ministry is available throughout the denomination. Like Thames North, most Synods use a formula based upon the membership and income of each congregation to determine contributions, although the detailed elements of the formula differ between Synods.
- Within the national Ministry and Mission structure the Synod's task is to provide administration for the process at Synod level on behalf of Church House. Essentially this involves seeking an appropriate balance between:
  - i) The target contribution for the Synod as a whole agreed with Church House . For Thames North that has remained fairly constant at around £2.2 million for several years
  - ii) Calculating what churches should contribute to the fund according to their means
  - iii) What churches believe they can afford and will contribute.
- This report draws particularly on the following principles which guide the Plan for Partnership:

i) The whole ministry of the URC is to be made available to the whole of the Church and the financial responsibility for this ministry is to be shared throughout the whole of the Church.

ii) The General Assembly has agreed that the ministers and church related community workers of the Church should be deployed by synods in ways that respond to the many different mission opportunities in different places. There will be no one pattern and the patterns that emerge should not be constrained by the availability of local finance.

iii) The complementary commitment of local churches is to contribute to the costs of the whole Church's ministry according to the congregation's means. This payment is the first charge on the local church's income.

### **3 The M & M Review**

This report and its recommendations draw upon findings from:

- Responses to a questionnaire circulated to Local Area Groups (July 2018)
- An interim report and responses from table discussions held at Synod on 20 October 2018
- Feedback from discussions held at Treasurers' Gatherings in February 2018 and February 2019
- Research carried out by members of the Resources Committee M & M sub-group.

### **4 Questionnaire for Local Area Groups**

The questionnaire sent to Local Area Groups (LAG) was intended to give the churches an opportunity to express their view on the current method of sharing out the Synod's target amount to the M&M Fund and whether there were particular issues which needed to be taken into consideration in the review of the formula. It was not (and never intended to be) a referendum on how the formula should be shaped or whether specific changes should be adopted.

However, on the basis of the returns received from LAGs and some local churches there was clear support for continuing with the current formula and the elements and percentages used to calculate church contributions. Overall there was broad support for the current formula and its operation and a recognition that tweaking the formula in one direction or another would make little difference and probably just shift the balance of advantage to some churches at the expense of others. Most respondents also recognised the virtues of simplicity and transparency in the current arrangements, which are relatively straightforward for both church treasurers and synod officers and volunteers

## 5 Issues raised by Questionnaire Responses

In their responses to open questions respondents indicated that they would welcome further discussion of three issues:

- i) The inclusion of a ministry element within the formula
- ii) The introduction of the principle of Jubilee
- iii) The membership element within the formula

### 5.1 The Introduction of a Ministerial element into the formula

Some returns to the LAG questionnaire indicated support for amending the formula to introduce an additional element linked to ministry received, and/or acknowledging the position of churches which are not scoped for ministry. Currently this is not part of the Thames North formula and up to now it has been accepted by the Synod meeting and the Synod's trustees that such a change would not be consistent with the spirit of the Plan for Partnership.

Moreover, introducing this additional element would not be straightforward. The experience of other synods who have gone down this route suggests that considerable additional detail and complexity is involved in order to recognise different types of ministry, different circumstances of ministerial deployment and different circumstances in pastorates.

For example, any such change would also need to bear in mind the following considerations:

- Alongside the ministry element, all churches would continue to pay the "mission" element of their assessed contribution
- Should the ministry element be based on deployment or scoping?
- If it is not based on scoping, what should happen during a vacancy?
- What would be the position of churches which are not currently scoped for ministry?
- How would the formula recognise the intention that every church has a named minister?
- What would be the effect of introducing this change on the other elements of the formula?

In addition, if an element of the formula did reflect the stipendiary ministry received by a church, how would practical consequences be handled:

- if the minister was off sick for a period of time, or,
- if the church was unable to meet their requested target figure, would their scoping be reduced?

Finally, would the proposed change lead to ministers only being called to churches who could afford to meet their assessed contribution? Would the proposed change inhibit the

Synod from deployment to less well-off churches where there was mission potential, even though the Plan for Partnership states deployment “should not be constrained by the availability of local finance.”

At the last Synod meeting delegates were asked to discuss these issues, consider if further work should be undertaken on practical implications such as those outlined below, and report back their thoughts. A substantial majority of the responses we received were against this suggestion. At this stage the Review Group are therefore not minded to recommend the introduction of a ministerial element into the formula to Synod

## **5.2 The Jubilee Proposal**

When the Resources Committee was requested to undertake its review of the Thames North M & M formula we were asked to include consideration of a proposal to apply the Jubilee Principle to M & M in Thames North. Under this proposal it was suggested that every seventh year churches should not be required to contribute to the M & M Fund. Instead, the Thames North contribution should be entirely met from the Synod’s funds. As a result, it was suggested that Churches would thereby be able to spend the equivalent of their M & M contributions on mission activities.

Currently of course churches can apply for and receive mission grants from Synod, and an increasing number are doing so each year.

Only a minority of respondents to the LAG questionnaire supported the Jubilee proposal. Nevertheless, at the last Synod meeting church representatives were invited to discuss the following aspects of the Jubilee proposal

- Would these proposals be equally advantageous to all churches, both large and small?
- Would churches with relatively smaller M &M contributions receive sufficient benefit to deliver a significant mission project?
- What would be included under a definition of “mission” in this context?
- Would churches use the funds released for mission?
- Would churches have suitable mission proposals to implement at the appropriate time?
- The Jubilee proposal is based on a distinction between contributions to support ministry and spending on mission. However, the availability of ministry, which M & M supports, is surely a vital factor in the leadership of mission at all levels in the denomination. Surely our ministers play an essential role in the promotion of mission across our Synod!?
- In order to meet the Jubilee year requirement, the Synod would need to set aside at least £300,000 from its funds each year, thus reducing the resources available each year to churches for grants and loans.

- Is the Jubilee proposal preferable to encouraging churches to apply for mission grants, as an increasing number are now doing each year?

A substantial majority of the responses we received from Synod were against the Jubilee proposal – an outcome consistent with responses received earlier in the review process. At this stage the Review Group are therefore not minded to recommend the introduction of the Jubilee Principle to Synod.

### **5.3 Membership**

One area of the current formula which was raised by a number of responses to the LAG questionnaire, was the element based on a church's membership. Currently 20% of the Synod's target for Church House, approximately £440,000 each year, is raised through this element in the formula. Respondents commented that using membership numbers in the calculation for the contribution to the M&M Fund, meant a church was expected to make a financial contribution to the denomination's fund even when some of their members were not in a position to contribute financially to the life of the local church. For instance, the elderly members who were in care homes, and for whom it would be quite inappropriate to remove them from the membership roll, especially if they had been members for many years.

One suggestion, raised by a number of people, was to use average attendance, as some people attend worship, take an active part in church life and make significant financial contributions, but for various reasons do not wish to become church members. This might be more difficult to measure. Churches might vary their approach to arriving at average attendance. What would be the situation if the church had more than one service? It could, therefore, be difficult to arrive at a realistic figure, although churches do include on their annual return a number for the average congregation at their main service which is published in the URC Yearbook.

These issues led the Review Group to consider eliminating either membership or average attendance from the formula. After all, using membership or attendance as a criterion in the formula assumes everyone in the Synod is equally well off, and able to make the same financial contribution. Perhaps instead the formula should just be income based?

If we excluded the membership element from the formula, the other percentages in the formula would need to be adjusted in order to arrive at the same total being donated to the M&M Fund. For instance, it might require changing the percentage on the "Other Income" category, which is mainly the giving by the members of a church's congregation through the offertory, to 47%. Depending on the actual income figures this percentage may need to be varied slightly when the actual income figures from churches are processed. This would have a minimal effect on the overall amount being requested for the majority of churches, although the opinion was expressed at the Treasurers' meeting in February that some might object to almost 50% of the offertory being asked for as a contribution to the M&M Fund.

However, when the contributions for membership and other income are added together and expressed as a percentage of the total other income the average from the churches in the synod is 49.93% and the median is 46.99%.

The table in the appendix shows how the formula would work for 25 churches, approximately, a fifth of the synod. It shows income figures and the three light pink columns on the right-hand side give the request to the church using the current formula, or if we changed it to 10% membership and Other income at 40% or taking out the membership element altogether and increasing the other income percentage to 47%. Changing the formula, so it is mainly income based, while retaining in the formula variations in percentages so that allowance is made for some costs incurred in the generating of income, is, the Review Group consider, the most equitable way for assessing the requested amount each church should contribute to the denomination's Ministry and Mission Fund.

## **6 Recommendations**

Synod is invited to approve the following recommendation.

That the current Thames North M & M Formula be amended as follows:

- i) That the membership element be removed from the formula
- ii) That the percentage on "Other Income" be increased to 47%

John Wise, Convenor  
Resources Committee