

## **Sheffield Diocesan Board of Finance: PAROCHIAL FEES ADVICE 2013 based on the Archbishops' Council's guidance.**

### **Ownership and destination of fees**

1. Under the revised legislation, fees for parochial services are the property either of a Diocesan Board of Finance (DBF) or a Parochial Church Council (PCC), although the Cathedral is an exception to this rule. In general, the DBF fee relates to the provision of authorised ministry and the PCC fee relates to church buildings and local administration and ministry costs. A PCC may also act as 'agent' for payments to musicians and others. The 'incumbent's fee' will, therefore, become a thing of the past (other than for those incumbents who still retained the right to retain this right and exercised it by giving notice to the diocesan bishop by 31 December 2011.). That situation only applies to a very small number of incumbents in this diocese and the DBF will be writing to them and their PCCs so that all parties are clear about their position.

### **Level of fees**

2. The Archbishops' Council prepares a Fees Order for approval by the Synod and Parliament. Such an Order may run for up to 5 years with annual increases included so that the level of fees will, therefore, be known several years in advance. The first Fees Order is for 2013 and 2014, a decision having been made to make a 2-year Order only so as to give opportunity for early review of the new arrangements.

3. Information about what is covered by each fee is given below. The general principles are that the level of fees will be justifiable, transparent and as inclusive as possible, while also providing a reasonable contribution to parishes and dioceses for the provision of the ministries concerned.

4. The statutory fees will be publicised nationally on the Church of England website and on the diocesan website.

### **Diocesan Advice**

5. Questions on the collection of fees and their remittance to the DBF should be directed to the Finance department at Church House in Rotherham. Questions about the principles involved should be directed to the appropriate Archdeacon or the Diocesan Secretary.

### **Administration of Fees**

6. The traditional system for collecting fees works well and there is no intention to make major changes to it. Incumbents should not be expected to handle fees and it is recommended that PCCs act as the local agent for this. The Finance Department will be issuing a new simple record sheet both on the website and in paper form to help.

The use of cash should be strongly discouraged as the keeping of proper records for audit purposes remains vital.

### **DBF Fees**

7. Fees due to the DBF for occasional services are intended to cover the full cost of providing authorised ministry – they are not a fee for the services of a particular minister. The fee is legally payable to the DBF regardless of who the actual minister is and whether or not they receive a stipend. The recommendations to the Archbishops' Council on the level of fees are built up from assumptions about the costs of ministry and the likely number of hours needed to provide a good ministry for the particular service.

8. The DBF fees for monuments are built up from an assumption about the length of time it takes for an incumbent to carry out the legal duty of checking that the monument and/or inscription conforms to the appropriate churchyard regulations.

### **PCC Fees**

9. The level of fees due to a PCC is built up from assumptions about PCC costs of ministry and the time taken in support work. These fees have a number of elements:

- a. A location/building element based on national statistics for the overall costs of repairs and maintenance of church buildings plus assumptions about the number of hours in use. Under the amended legislation it is not legally permissible to charge additional sums for these as 'extras'. This element of the statutory fee does not include any amount for heating the church building but it does include an amount for lighting. Also this element does not include any amount for staffing, so an extra charge for a vergers could be made when one is employed to carry out duties at the service in question. See paragraph 12b below for heating, and paragraph 12c for the deployment of vergers.
- b. An element for administrative staffing based on a secretarial rate of pay. The whole fee is payable whether or not a person is actually employed in this capacity. For the first time, a PCC will receive this fee even where the service takes place at a crematorium.
- c. PCC fees for burials and monuments include an element to provide for long-term maintenance of the churchyard.
- d. Fees for banns, searches and certificates have now been made payable to the PCC, and, for the first time it is made clear that the fee for 'Certificate issued at time of baptism' means a certified copy of the entry in the register of baptism, in the form prescribed by the Parochial Registers and Records Measure 1978. No fee is specified for the issuing of 'souvenir cards' that have no status in law.
- e. In respect of PCC fees for services at public cemeteries or crematoria, the amended 1986 Measure sets which PCC should receive the fee (extract from section 1(7)).  
*'b) where the fee relates to a burial or funeral service which takes place otherwise than in a church or churchyard, the council of the parish on whose electoral roll the deceased was entered, provided that where the deceased was entered on the electoral roll of more than one parish, the fee shall be shared equally between each of the councils of those parishes,*  
*(c) where the fee relates to a burial or funeral service which takes place otherwise than in a church or churchyard and the deceased was not entered on any electoral roll, the council of the parish where the deceased had his or her usual place of residence, and*  
*(d) in any other case, the council of the parish where the service or other event to which the fee relates takes place;'*

10. There is no provision for variable charges according to size of building. The

legislation does not give the Council power to introduce any such variation. Nevertheless, the Working Group felt that it had to consider this issue, and advised the Council to set a uniform building element at a level which is generous enough to cover the large majority of situations. The Group had two reasons for coming to this decision: (i) the desire to maintain a uniform fee wherever a person happens to live, and (ii) the difficulty in establishing a legally clear method for 'banding' church buildings. Exceptional cases may be approached through inviting additional voluntary donations following consultation in every case with the Archdeacon or Diocesan Secretary.

11. The expectation is that these arrangements will see PCCs receiving more income overall. This recognises not only the costs of maintaining our buildings but also the local costs associated with offering a good ministry around pastoral services, even when much of that ministry may be provided by lay volunteers.

### **The PCC as agent for others ('extras')**

12. Under the new legal provisions, 'extras' can only be charged for items where there is a genuine choice. 'Extras' should never be imposed by the incumbent or PCC. 'Extras' include the cost of heating the building (but not lighting) and the remuneration of a vergers (where a paid vergers is deployed) where the costs would normally be met by the PCC, as well as items such as music, flowers, bell-ringing etc where it is likely that the PCC will act as the agent collecting payments and pass them on to those who offer the service in question. The levels for these extra charges do not lie within the remit of the Archbishops' Council or the DBF, but the following advice is offered:

a. Information that is absolutely clear about the level of any charges and what they cover, should be provided. Best practice is to have an itemised breakdown, which can be agreed before the service with those who have requested it, and which (in the case of funerals) can be forwarded to the funeral director.

b. In respect of heating, whether or not to have heating, and how much would be charged, if heating was supplied, should be among the issues raised with the person or persons paying for the service in discussions before the service takes place. It would be inappropriate for the PCC to supply heating regardless, and then present an unexpected and unwelcome extra charge. A PCC which did so would have difficulty in showing that it was legally entitled to claim the sums involved.

c. In respect of vergers, the deployment of the vergers and how much any charge would be, arising from the deployment of the vergers, should be among the issues raised with the person or persons paying for the service in discussions before the service takes place. It would be inappropriate for the PCC to deploy a vergers regardless, and then present an unexpected and unwelcome extra charge. Again, a PCC which did so would have difficulty in showing that it was legally entitled to claim the sums involved.

d. The guidance offered by the Royal School of Church Music, Incorporated Society of Musicians, Diocesan Guild of Church Bell Ringers and others such bodies should be taken into account when setting the levels for extra charges for music and bell ringers; When the parish employs a professional musician:

i. The entitlement to receive fees should be clearly addressed within the PCC's contract with that person; model contracts are available from the RSCM and others;

ii. The entitlement to receive a fee even when another person (e.g. a family friend) plays the organ must be clear in the contract and must be made clear to

those who ask permission for someone other than the church organist to play for a service, as this can often be a source of misunderstanding and friction;

iii. Entitlement (or not) to an additional fee when a service is recorded/filmed should also be clear in any contract and in information given to those seeking a service.

e. In its role as 'agent', a PCC must make sure that proper records are kept for audit and other purposes; cash payments should be avoided. The PCC should also make clear to those receiving payments that they (not the PCC) are responsible for declaring their payments to HMRC for tax purposes. **However where a vergers is employed under contract by the PCC and is on their payroll then these payments should be passed through the payroll for tax purposes.**

13 The national guidance advises that they expect that there will be further national discussions with the representative bodies for church musicians aimed at agreeing a clearer basis for payment.

### **When a fee is payable / Waivers**

14. The Parochial Fees Order prescribes when a fee is payable.

15. The fee for a funeral service in church applies whether the service takes place before or after burial or cremation. The fees for burial/cremation "immediately preceding or following on from service in church" include the situation where the service is on the day preceding the burial/cremation or is on the following day. Different fees are payable for burial/cremation on a separate occasion. A "separate occasion" means the situation where the burial or cremation takes place on a day other than the day of a funeral service in church or the day before or the day after a funeral service in church.

16. The Measure makes very clear who has power to waive fees: this is the incumbent or priest-in-charge of the benefice concerned - after consultation with the churchwardens for PCC fees. An incumbent/priest in charge cannot waive fees generally. They may only be waived "in a particular case". That means that the incumbent/priest in charge must be able to point to something about the particular case that would justify waiving the fee, and be prepared to produce a justification if asked, as part of an 'audit trail'. The DBF may wish to issue its own guidance about matters concerning the waiving of fees, including the circumstances in which it is appropriate to do so, and keeping a record of waivers, but the decision to do so in all cases, in whole or part, rests with the incumbent or priest-in-charge (and in a vacancy, the area dean), without needing to refer the decision to the bishop, archdeacon, or any other diocesan official.

17. No parochial fees are payable in relation to the funeral, burial or cremation of a person who has not reached the age of 16.

18. The Archbishops' Council have specifically indicated that the power to waive fees should only be exercised in cases of clear financial hardship, and that waiving of fees for long-standing members of the congregation is not to be encouraged. The fees remittance form to the DBF will require any fee waivers to be declared and the decision recorded.

### **Ministers not in receipt of a stipend**

19. It is recognized that many who are in Self-Supporting Ministry, both Ordained and Readers, do not and will not wish to take any reward for their ministry: their contribution

is gratefully acknowledged and their wishes should be honoured in this respect. For a number of years the DBF has had a policy where Self-Supporting Ministers, Retired Clergy with permission to Officiate, and readers can receive 2/3<sup>rd</sup> of the stipendiary element of the fee, plus expenses from the parish. This policy will continue under the new arrangement based on the figures specified in the fees order.

20. The PCC should therefore make disbursement by cheque from the fees received. It should be noted that the Legal Office advice is that this arrangement does not form a contract with the ministers involved and all parties should be clear that it is on a casual and occasional basis. The individual should make the appropriate declaration to HMRC as part of their tax return. (The position therefore remains unchanged from the existing requirements.)

21. For stipendiary and other licensed ministers matters relating to fees and associated ministry will be coverable under a Statement of Particulars or Working Ministry Agreement. Ministers with Permission to Officiate (PTO) have no such document but should note the importance of HMRC declaration and the requirement to liaise with the incumbent or priest-in-charge of the benefice in question when exercising a ministry;

### **Chaplains**

22. Chaplains, for example hospital chaplains, prison chaplains, school chaplains, have never been entitled to receive parochial fees. Where a chaplain who is a clerk in holy orders or a licensed deaconess, reader or lay worker officiates at a service in respect of which fees are prescribed under a parochial fees order, as a matter of law the fees belong to the DBF and PCC in the same way as they do when the parochial clergy officiate. Where chaplains receive the equivalent of a stipend from their employer then it is expected that they will exercise occasional ministry on the same basis as diocesan stipendiary priests without further reward.

### **Continuing Ministerial Development (CMD)**

23. Throughout the work on revision of fees, reference has been made to the importance of offering an excellent ministry at and around pastoral services. In order to help achieve this aspiration, it is recommended that training to support licensed ministers (including the retired) in their exercise of the pastoral offices should be a regular part of diocesan provision.

### **Availability of Ministers**

24. The offering of a universal ministry for pastoral services depends on the Church of England being able to make available ministers as required. Funeral directors in particular have made representations at national and local level about the difficulties they experience in contacting ministers when families require an immediate response about arrangements. It is in the Church's interests to maintain good relationships with funeral directors and to seek to respond to their concerns; it is, therefore, recommended that dioceses make every effort to ensure the availability of ministers. The following suggestions have been offered.

- a. Encouragement of clergy (especially through CMD in the initial years) to see such ministry as important and worthy of prioritisation;
- b. Development of the ministries of non-stipended ministers (including Readers) around pastoral services;
- c. Provision in deaneries and/or dioceses of a simple system whereby the availability of a minister (even if at first unnamed) is guaranteed to a funeral director.
- d. Maintenance of good and regular contact between archdeacons and funeral directors in the area.

## **Disability Issues**

25. Quite apart from any legal requirements relating to disability under the Equality Act 2010, our commitment to the universal offer of pastoral ministry requires us to provide as fully as possible for family members and others who have particular needs. Dioceses should seek to make information available to ministers about local sources of advice, provision of signing services etc. For further guidance on matters affecting the deaf contact the Bishop's Adviser the Revd Judy Leverton.

## **Complaints**

26. It is not uncommon for complaints to arise concerning ministry at pastoral services. These are often addressed to bishops or archdeacons, though may also come to incumbents if they relate to another minister within the benefice.

27. A complaint may be about a matter connected with the arrangements for the service. These should be handled locally.

28. If the complaint relates to the conduct of clergy (including those with PTO), it will be for bishops/archdeacons to decide how to handle the complaint; the provisions of the Clergy Discipline Measure 2003 and/or Clergy Terms of Service Regulations may be relevant; reference to the Guidelines for the Professional Conduct of the Clergy may also be helpful.

29. If the complaint relates to the conduct of Readers/Locally Licensed Ministers it is likely that the matter will initially be for the incumbent concerned and the Warden of Readers, though the Archdeacon may also need to be consulted and the Bishop involved.

30. If the complaint relates specifically to fees, then the Archdeacon is likely to be the obvious person to investigate the matter, if the complaint cannot be resolved by the incumbent or PCC.

**Sources of Advice**     *See the Church of England website. Contact the Archdeacon or the Diocesan Secretary if you still have questions about the implementation of the fees order.*

31<sup>st</sup> August 2012 v3