

Future Ministry Numbers

Projections of future ministry numbers to aid deployment planning
10 September 2012

Introduction

It is a fact that the supply of stipendiary clergy is declining as the rate of retirements exceeds the supply of new curates at the national level. The strategic challenge this creates for dioceses is described in *transforming presence* and elsewhere. The practical challenge is to estimate the number of ordained stipendiaries available to the Diocese of Chelmsford and indicate how they might be deployed. This paper attempts to do this.

The overall objective is to provide a basis for deanery planning that represents a level of stability, rather than a position dominated either by short term expediency or long term complacency. Hence this process seeks to set out for the diocese as a whole and each deanery:

- The long run sustainable stipendiary clergy number, ie that number of positions which can be filled without excessively long vacancies caused by lack of supply
- The number of stipendiaries above the minimum that could be achieved with a higher level of vocations coming forward
- The number of posts that could be afforded

This paper seeks to address all of these issues. Those key assumptions which have a material impact on the answer are identified along the way and should be affirmed or challenged in reaching the answer.

Supply of ordained stipendiaries

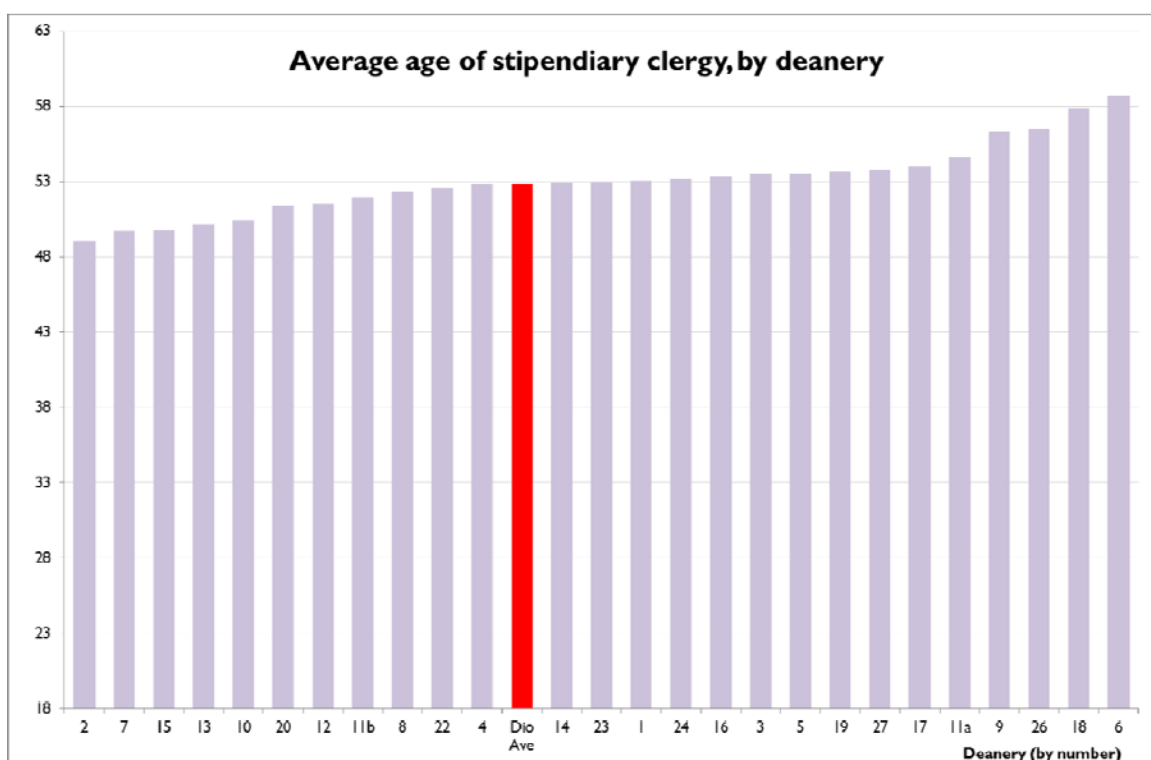
In the past, the approach to ministry planning was for the national church to issue a forward projection of stipendiary numbers to each diocese based on the Sheffield formula (Appendix A). These projections tended to move about a few percentage points each year and only represented a best guess. The national projections for each diocese are no longer issued (the old 'May letter') though it remains possible to estimate from the national numbers. Dioceses are instead being asked for their own forecasts and predictions. Nonetheless the old Sheffield figures remain useful for providing a basis for reference, and comparing internally generated forecasts. For good or ill Sheffield sought to provide a 'fair' allocation and for the last decade, the Diocese of Chelmsford generally sought to plan close to the Sheffield allocation in order to be 'fair' to other dioceses. (By contrast a number of the neighbouring dioceses are above their Sheffield allocation.)

Assumption 1: Chelmsford would seek to take an allocation of stipendiary clergy that is 'fair' and does not deprive other (perhaps less affluent) dioceses
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The construction of a Chelmsford series needs to take a combination of the last Sheffield series plus an estimate the future retirements, leavers and joiners in Chelmsford as the old Sheffield series does not go out to 2025.

Assumption 2: the age profile and hence likely pattern of retirements in Chelmsford diocese is not significantly out of line with the national position

Analysis conducted in 2011 showed a remarkable consistency in the average age of the stipendiary clergy in the diocese. As shown in the chart below, the average age of clergy in this diocese is around 53. This average is fairly representative of most deaneries, and even the outliers are within five years of the average. The average for this diocese is fairly consistent with the national picture. (The average age for SSMs is similar if not slightly higher because there are very few younger SSMs.)



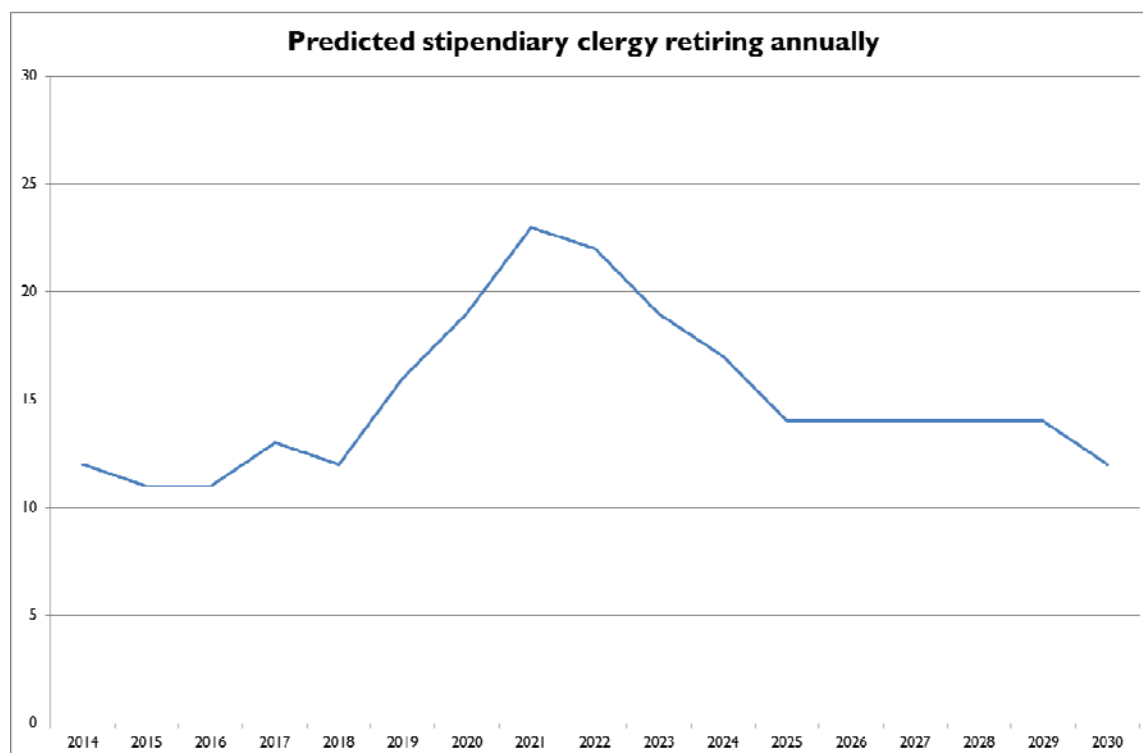
As the diocesan picture is similar to the national picture it can be assumed that churn in and out of the diocese would not materially alter the age distribution.

Looking at data for recent years, the mid-40s mean age for stipendiary curates is not a representative average. In fact it would appear there are two ‘averages’ with around half the curates with a mean age of c31 and the others closer 50.¹ This means some of the curates are likely to retire within the 2025 timeframe therefore do not count as ‘new resources’ for 2025.

Assuming a drift upwards in the average retirement age, but with an upper limit of 70 remaining in place for most clergy, it is possible to predict a retirements profile. The chart

¹ Note the average age for SSM curates is higher, even ignoring LDSMs which push the average up significantly, and there is perhaps a question of why it is that there are fewer younger SSMs, when there are younger stipendiary curates.

below shows that the average rate of clergy retirements looks to be around 12-14 a year. However, because of the age distribution of the current clergy profile, the average retirement rate jumps markedly to around 20 for five years over the turn of the decade.



Assumption 3: curates continue to be taken on at close to the national allocation level

The national allocation for curates to Chelmsford diocese has been around 14 for a number of years, with Chelmsford typically taking 12. From 2013, Chelmsford will budget to take its full allocation. Assuming it is possible to fill *all* the places *with the right calibre* of curate, the replacement rate works out fairly well with new curates coming on stream at the same rate as the forecast retirements. Until, that is, the turn of the decade where the retirement rate outstrips the new curate rate markedly, with the cumulative effect over just five years of a net reduction of c30. (Actually, this is slightly worse as it may not be possible to fill all of the title posts and some of the curates are included in the retirement figures already.)

Assumption 4: net migration is *not* a significant issue in the future

The other factor in predicting future numbers is net migration in and out of the diocese to and from other dioceses. Data from the last few years suggests more leave Chelmsford for other dioceses than arrive from other dioceses, and this is a major issue for the diocese as it is bleeding resource. It is open to debate whether this trend is such that it would continue long term, and therefore whether it should feature in the estimates. It could be for example that *Transforming Presence* acts as an attractor, or the diocese focuses on retention. Conversely, stipendiary clergy who are not attracted to the future model of ministry in the Chelmsford diocese may choose to leave or not apply. Either way, retention needs to command greater attention to avoid a cataclysmic decline in available resources.

Assumption 5: future planning should be on the basis of heads rather than full time equivalents

Number series including Sheffield and the budget tend to work in full time equivalent (FTE) numbers, such that two part stipend posts count as 1 FTE. However, the real problem is one of the supply of stipendiary ordained heads. To illustrate: start with 10 full time clergy and make all 10 posts half time: this is 5 FTE but still 10 people and does not address the supply issue. FTE of course is relevant when calculating the available ministry *output* but as the immediate issue is one of supply of people, it is important to work in that currency.

In practice there are presently few part stipends (only 9 in 2012) so the numbers do not differ wildly but this is an important point to get right early on.

Estimate of total resources available

Taking these factors together to create a rough prediction, let us assume:

- The retirement age creeps up to an average of 67 by the 2020s
- 14 stipendiary curates are taken on each year for a period of 3.5 years (ie 49 in title posts at any one time)
- The mix of younger and older curates continues
- Net migration plus unfilled curate places (or curates leaving during title) reduces to minus 3 for five years and minus 2 a year thereafter
- An add back of 4 is used to convert FTE to Heads (based on 9 half stipend now)
- That the forward projections should consider both the Sheffield projections (to 2019) and the calculation based on the factors above
- The margins of error on these assumptions are such that outputs should be rounded to the nearest five, as anything else suggests spurious accuracy

This gives a series of the estimated total number of resources available to the diocese, and it falls from approx. 360 in 2012 to around 290 in 2025 (noting that there is a reasonably margin for error on any such estimates so it is best to talk in round numbers).

Assumption 6: zero-sum game and other dioceses play fair too

This series represents a minimum number that should be available if the assumptions are delivered, particularly re curates and net migration.

In practice we cannot know what other dioceses are planning to do, although we do know that some of the neighbouring dioceses are currently above their 'allocation' and many dioceses are indicating the possibility of more title posts. If other dioceses are able to offer more posts, the Chelmsford number may not be achievable. However, it is also possible that some other dioceses might decide for financial reasons not to take the full allocation they would get under Sheffield or any replacement, therefore it is possible that actual resources could be higher. This of course is difficult to second-guess, but the aim is to produce a series that represents a minimum number.

Curates and non-parochial posts

The next stage is to remove posts not available for parochial deployment.

The earlier assumptions about curates provide the figures for title posts, i.e. a total of 49 a year, being 14 per year for an average of 3.5 years.

The other deduction relates to Bishops, Archdeacons, Cathedral roles and central and area paid positions, *requiring an ordained clergy person to fill that role*. Under Transforming Leadership the number of Archdeacons increases but the number of Central and Area paid posts declines, and these effects are factored in.

Assumption 7: only central posts that <i>require</i> an ordained person as part of the job specification are included in the calculation
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The medium pattern of central and area posts suggests a reduction to about 17 *ordained* heads, recognising that some roles can be undertaken by lay or ordained persons. Crucially the difference here is that not all central/area posts default to ordained, and therefore some can be taken out of the ministry calculation, while remaining in the budgetary calculations. There may be some switching between advisers and senior positions but this is assumed to be neutral in headcount terms.

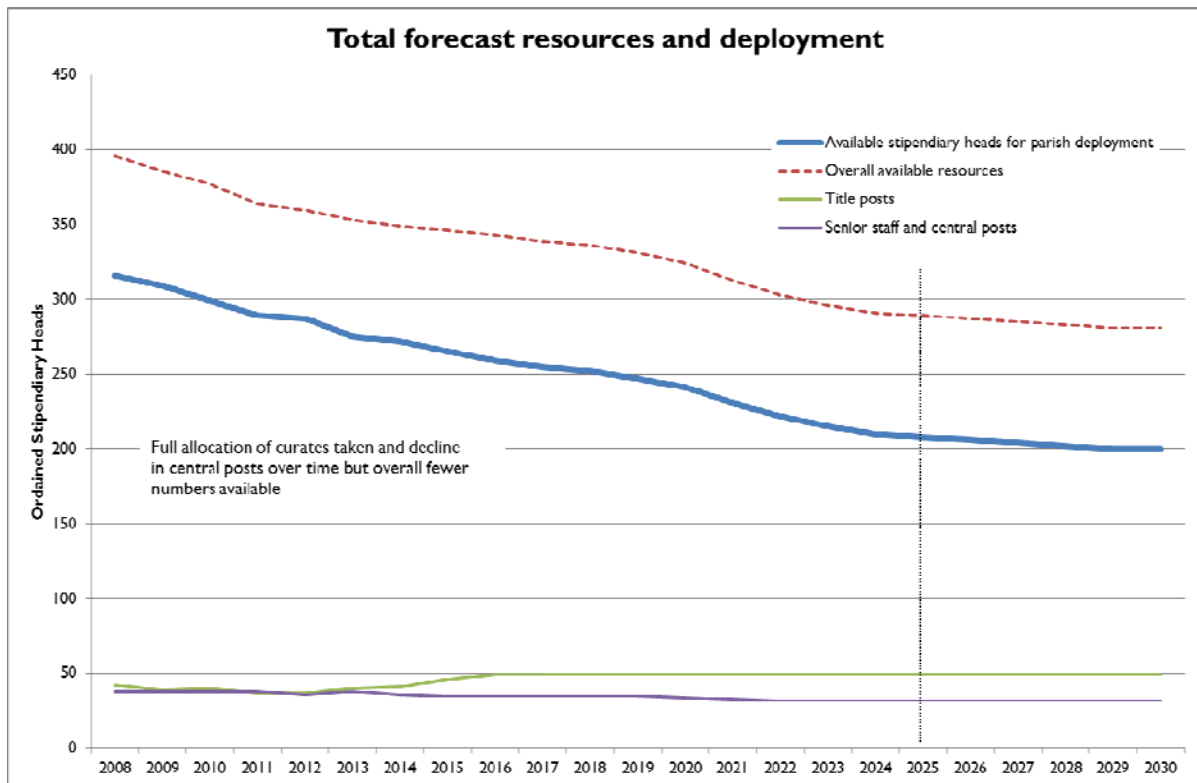
The overall effect is the number of title posts goes up and the number of central and area posts reduces. The assumptions used have the effect of making the combined effect almost neutral, which is not deliberate. Nonetheless, the ratio of non-parish based to parish-based clergy would increase marginally (from around 10.7% to 12% in the figures presented below) although in practice of course, most non-parish based clergy are attached to a parish as an assistant curate and participate in Sunday services at the very least.

Ordained stipendiary persons for parochial deployment

Deducting these numbers from the total available resources gives the number of ordained stipendiary heads for parochial deployment.

The chart below shows that as the retirement hump works its way out and the full effect of the 14 pa curates comes in, a plateau is reached c2025-30 where the number stops declining.

Given the assumptions used above, the projection suggests a number is in the region of **200-210 ordained stipendiary persons available for parochial deployment**, some of which will be part time/stipend.



Establishing the Establishment

The aim here has been to identify an estimated ‘long run minimum sustainable’ figure for parochial posts, which would not lead to prolonged vacancies. (Prolonged vacancies being where the supply of possible posts outstrips the number of clergy to go around.)

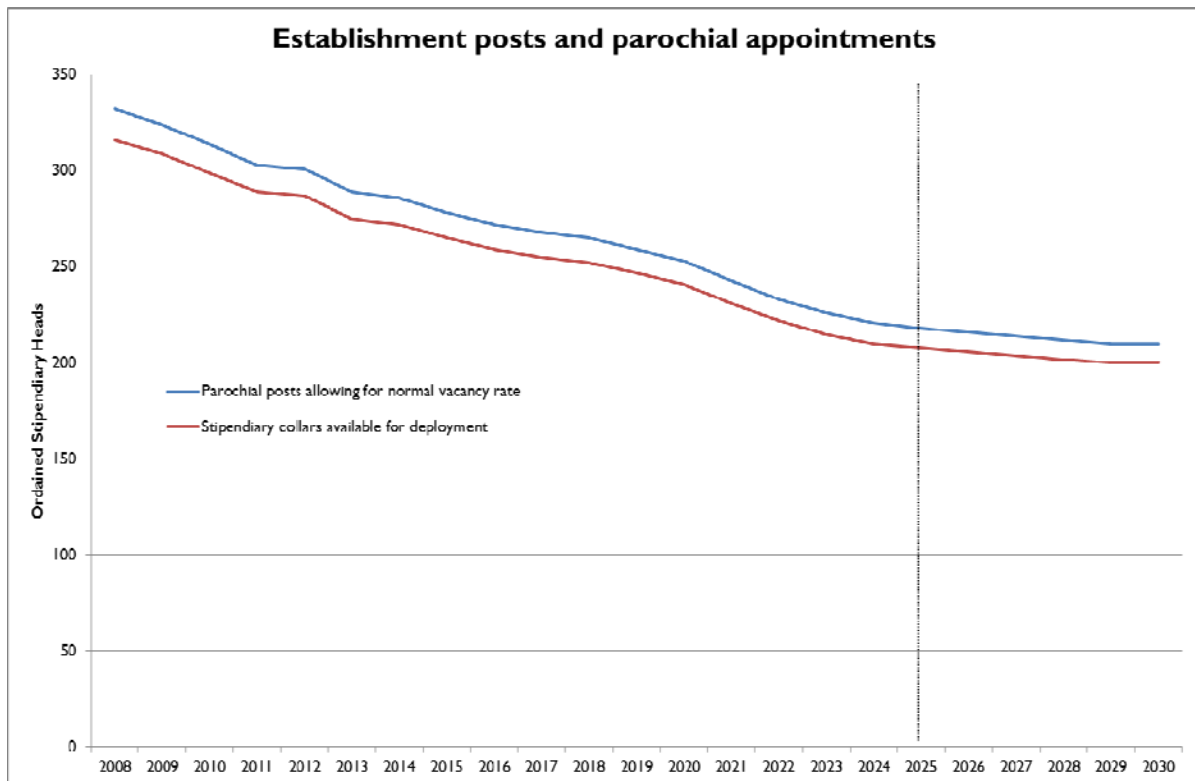
Assumption 8: the ‘establishment’ (i.e. planned number of parochial posts) may include a vacancy factor of 5% that relates to normal churn, without giving rise to prolonged vacancy

It follows however, that at any given point in time there will be some churn and a short vacancy as one clergy person leaves and the next arrives, and it is reasonable to factor in a vacancy factor into the planned number of posts, because in practice normal churn and vacancies will occur.

Based on the budget, the current vacancy rate is around 10% per annum, although given establishment numbers are not really controlled, in practice a) the real vacancy rate is probably much higher and b) a significant portion of the real vacancy rate relates to prolonged vacancies.

A 5% factor has been assumed for the long run ‘normal’ rate, based on a 10 year average incumbency and six month vacancy period. Arguably this figure should be higher, perhaps around 7%, but the 5% figure has been chosen to provide a small insurance against curate numbers not hitting target and net migration not being stemmed quickly.

This has the effect of increasing the 2025 long run minimum sustainable number to around **215** which would be the number for planning purposes.



Assuming a total number of positions of 210-215 would be a good basis for 2025 planning.

Aiming for this number would give a minimum level of resource, and deaneries/ archdeaconries with plans for their share of this number should have confidence that a) they would not be asked to cut further and b) there is more upside on this figure than there is downside.

However, this is on the basis of the above assumptions and crucially that:

- The intake of stipendiary curates is achieved at the rate of 14 pa
- Net migration out of the diocese is almost entirely eliminated

The impact of new vocations on the long run number

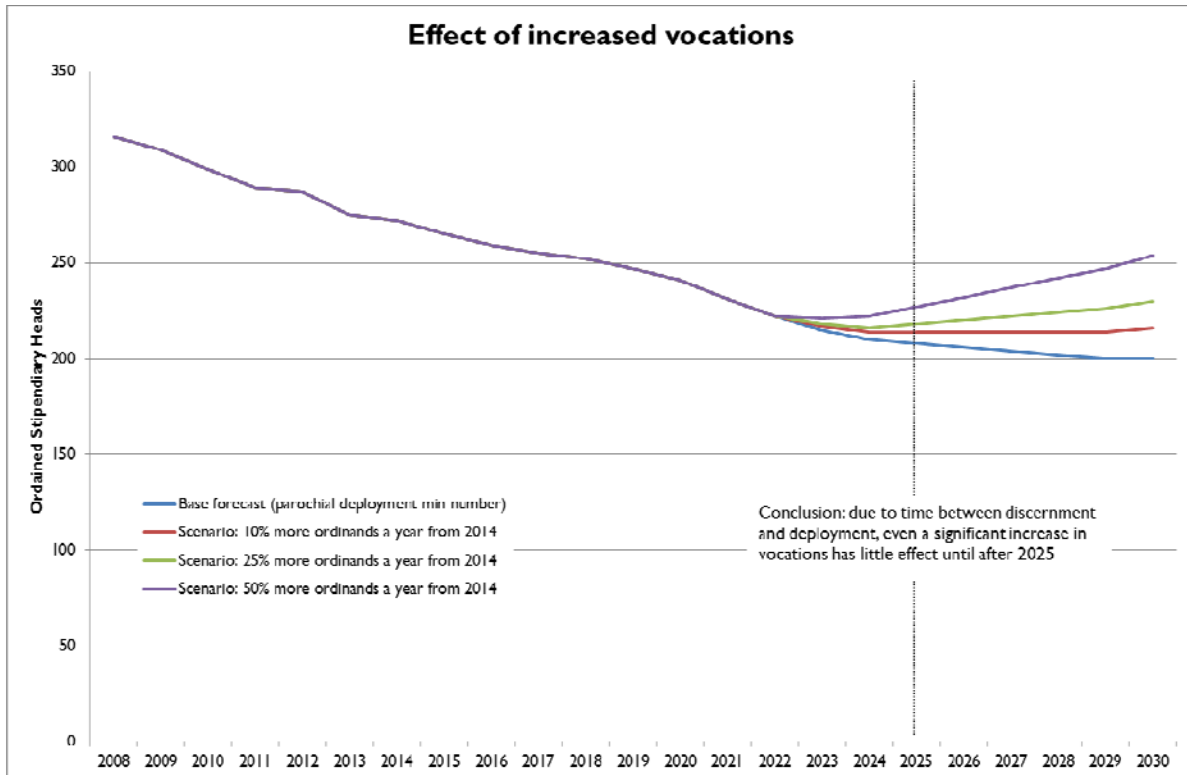
The second question posed above asks what the long run number would be if there was a significant upsurge in vocations, and hence more stipendiary curates.

The first point to note here is that it will be a challenge just to hit 14 stipendiary curates a year, and sustaining this will probably require an increase in vocations of itself. Moreover, at least half those curates need to be under 40 to have a long term effect on overall numbers.

Nonetheless, a scenario has been constructed.

Assumption 9: the process from initial discernment to being ready for parochial deployment (incumbency of similar) takes around 9 years

The long lead time means that even if the discernment rate goes up immediately, it will have little effect by 2025, as illustrated below.



This suggests that although increased vocations should not be factored into the 2025 planning number, it would be reasonable to invite deaneries/archdeaconries to think about how they would bring forward increased vocations and then how they would use them.

Allocation of the minimum number

In previous exercises, allocations to sub-diocesan level have replicated the Sheffield formula, which places the greatest weight on population and relatively lower weight on geographical area, buildings and church members.²

There has been some investigation of alternative allocation parameters, however the broad conclusion is that tweaking the relative weighting of these factors has no material effect on the outcome, or rather the changes made are well-within the margin of error for the total number projection anyway. Only with a radical shift away from population to favour area/buildings is there a noticeable effect in terms of a slight shift from Barking to Colchester, with Bradwell Area virtually unchanged under any scenario. At the Bishop’s Council awayday in March 2012, the relative importance of the Sheffield factors was tested through discussion questions and there appeared to be no suggestion of or justification for a

² Note: The Sheffield Formula uses four factors, with population being most highly weighted:

Population	8	53%
Area	1	7%
Members	3	20%
Buildings	3	20%
Total	15	100%

radically different allocation either in terms of the Sheffield factors or a completely different basis such as financial “viability”.

The conclusion therefore is that Sheffield may as well be used as a basis of allocating the minimum figure; the point is that deaneries should use this figure as their reference point but that ultimately the ministry plan should be sound, and that is the objective more than hitting the target in a sub-optimal way.

Assumption 10: there is little to be gained from attempting to fine tune the Sheffield formula – it is a reasonable and familiar base for setting a deanery target minimum

At a practical level it might be appropriate to use the vacancy/establishment factor to ensure that the results at deanery level do not drive sub-optimal outcomes, e.g. by giving a number and a range, or adding back in some of the very small deaneries, or those known to be growing disproportionately.

Affordability

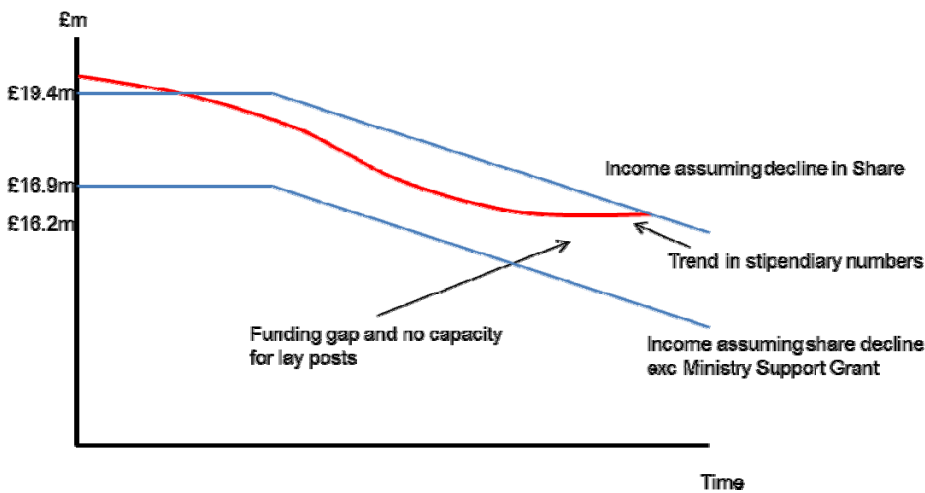
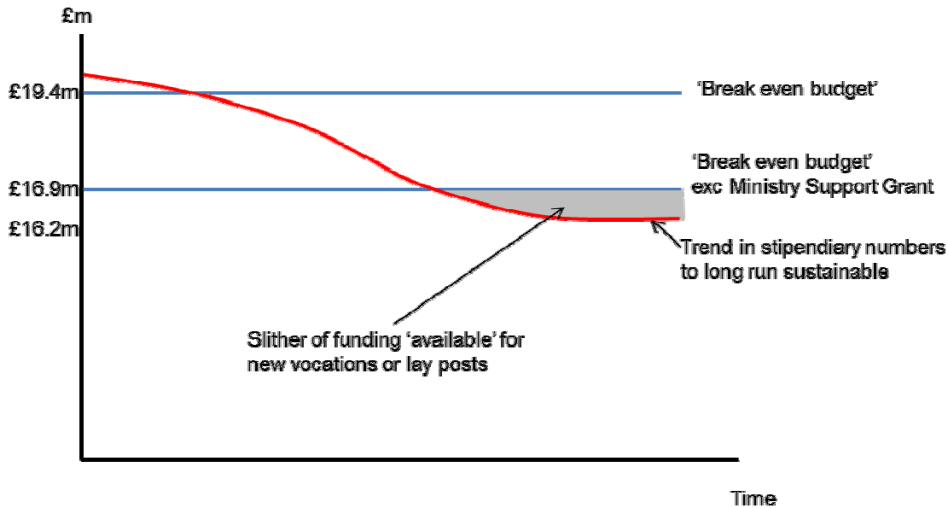
The final question is what can be afforded long run. The short answer to this is that the diocese can more or less afford the current number of clergy given the current level of ministry support grant. This is evidenced by just about achieving break even performance on the general fund over the last few years. There is of course still a share shortfall within this performance, however it is not so great as to be a driving factor for ministry numbers. There is a separate question about the long term future of the ministry support grant, but again this need not be the driving factor behind ministry number planning.

Assumption 11: if current financial performance can be broadly maintained, affordability is not a relevant factor for determining the minimum number

It should be recognised that as overall supply reduces, the ‘cost of a stipendiary’ increases significantly as other costs are allocated of over a smaller pool and potentially there could be unintended consequences for the share scheme.

Another way to think about the financial question is that pressure on parish share is not coming from an increase in stipendiary numbers. If it were possible to maintain real parish share at the current level (or tracking stipends), over time the reduction in clergy numbers create considerable headroom in the budget, which could perhaps be used to pay for other, non-clergy, roles.

Alternatively, the share could be reduced with the hope and encouragement to parishes to use this effective saving to employ auxiliary resources locally. There may be greater willingness to give for locally employed auxiliary ministry because of a sense of ownership that would be less apparent where other roles are paid via the share scheme. However, without some element of mutual support this approach is likely to favour better off parishes and the less well-off would not have this opportunity available.



Transition

A key premise in *Transforming Presence* is that by setting a 2025 target to aim at, decisions about ministry deployment will be made strategically rather than tactically. This however is only true if deaneries are not held to a short term/annual target too.

Yet this presents a conundrum – at the deanery level the annual number needs to be unimportant as long as 2025 is achieved, whereas at the diocesan level, the annual number is important both for budgeting and overall supply (ie if well over the annual forecast number, there will be unpredictably extended vacancies somewhere in the diocese).

In effect each deanery will be needing to plan its own ‘S’ curve to achieve the target, and at the diocesan level the sum of S curves needs to approximate the diocesan forecast; hence all the S curves need to look different. In some places it will take longer to achieve the end state – other deaneries will be able to get there far more quickly.

Possible responses include:

- a. Simply acknowledging the fact that some extended vacancies will happen in an unpredictable or planned fashion

- b. Incentivising early achievement of the target, for example by only making available the funding for non-clergy roles to deaneries achieving their plan, or reducing share such that parishes can do this themselves
- c. Using the incentive implicit in the current deanery share scheme to reduce numbers for financial reasons (though noting this could also be a perverse incentive for mission purposes)
- d. Taking resources from elsewhere for an interim period – from other dioceses, from abroad, or through a different use of SSM and HfD resource

Some conclusions

- a) The long run minimum sustainable establishment is estimated at 200 to 215 stipendiary posts (whether full or part time), say 215 as a single number
- b) Retention is a critical issue: the net migration effect needs to be addressed
- c) The number of budgeted curate posts needs to be achieved consistently and this should be a priority area to focus on
- d) There needs to be more sophisticated reporting of Heads, FTE, Establishment
- e) Sheffield is a reasonable basis for allocating out the minimum number, but the 'reward' should be for the quality and coherence of the ministry plan, not *precisely* hitting a target number through a sub-optimal plan
- f) There may be scope as the number of stipendiary clergy reduces to fund other posts from the general fund, as long as the budget plans to do this
- g) Deaneries cannot be held to both an annual and long run target, but incentives are needed for some deaneries to achieve their 'end state' early
- h) There are reasons to believe the minimum will be beaten by actual supply, especially if other dioceses plan for lower than their 'fair' allocation and new vocations emerge
- i) There are further issues for discussion, notably around the number and nature of non-parochial posts and the share scheme