

Simplifying Local Church Governance

Two initial points:

- Quite often there is confusion about the legal structure of Church Governance, so we are going to start by going back to basics
- The 'Simplifying Governance Toolkit' on the **Growing the Rural Church** website is excellent

The Parish

The fundamental unit of the local church

- Churchwardens (usually two)
- Parochial Church Council (PCC)
 - PCC can have sub-committees
 - PCC can have working parties
 - PCC is a Body Corporate
 - Charitable Status (and possibly) registration
 - Bank Account
 - Employer
 - Property and Investments (held in trust)
- Until 2019 every PCC had to meet at least 4 times per year
 - From 2019 must meet sufficiently to transact business

The Parish

Usually has one Parish Church

- But can have more than one Parish Church
 - In which case there are usually two Churchwardens per Church
- Can also have Chapel(s) of Ease (Daughter Churches)
 - Parish Churches and Chapels of Ease are consecrated buildings
- Might have a Parish Worship Centre rather than a Parish Church
 - These are Licensed rather than consecrated

The Benefice

A benefice is a public office held by an incumbent

- It's area can consist of any number of parishes
 - Until 2020 every parish in a benefice had to have its own PCC
 - The Incumbent is the ex officio chair of every PCC....*
- * (unless this is legally transferred to a Team Vicar by virtue of their licence)*

The Mission Community

A Mission Community in itself has no legal status

A Mission Community in itself has no legal status

- The legal status is controlled by the status of the local parishes and benefices
- A Mission Community is **NOT** a body corporate nor a charity
- The liability for any bank account therefore rests with the signatories
- It should **NOT** have employees as any liability will be very confused and it can cause very serious legal problems

Inquorate Parochial Church Councils

A PCC must have more lay members than clergy which means at least three members.

If a PCC looks as though it may become inquorate there are two possible solutions (apart from getting more members):

- i. Dissolve the parish or unite it with another parish
- ii. Form a Joint Council with another parish and transfer all powers and responsibilities to the Joint Council

If a PCC becomes inquorate the Bishop can sign a declaration to allow one person to discharge essential functions until the situation is resolved.

Simplifying Governance

Its easy to see why we might want to simplify governance

- Fewer meetings
- Shared decision making
- Less duplication of all sorts of things like accounts and minutes
- etc

Some things that have happened in some places

- **Mission Community Council**
 - This is fine for informal discussions but has **no power** to make binding decisions
 - Has **no** corporate or charitable status
- **Joint Parochial Church Council**
 - **Some of these do not legally exist** and therefore have no powers as they were not established by due process
 - They are **not** bodies corporate nor are they a charity
 - The usual problems with liability apply

- **Team Councils**

- Some groups of parishes call themselves ‘Teams’
- However, in the Church, the word ‘Team’ is a legal term that applies to a Team Ministry – somewhere that has a Team Rector and Team Vicar(s)
- A Team Council is just like the Joint Parochial Church Council – not a body corporate and all that this implies.

Simplifying Governance

Three ways (*but only two are real!*):

- *Some form of Informal Meeting:* Does not actually simplify anything as it creates another layer of bureaucracy and cannot make binding decisions

- **Reduce the number of parishes:**

Unite two or more parishes, or, dissolve one or more parishes and incorporate their area into others

- No church buildings need to close but fewer PCCs
- Requires a two stage legal process and a public consultation

Simplifying Governance.....

- **Form a Joint Council:** This was new in 2020 and is both a Body Corporate and a Charity
 - All the existing parishes remain as they are
 - But they share some or all of their powers, responsibilities and decision making in a binding legal manner

and...

even if we don't want to simplify governance.....

a **Joint Council** can function as a legally established **Mission Community Council** which can therefore:

- Enjoy charitable status
- Be a Body Corporate – and therefore hold funds and employ staff

note...

When parishes combine to form a new single parish or when a parish is dissolved and incorporated into another...

...although all the funds now belong to the one PCC, **all Restricted Funds** (such as legacies or donations given for the churchyard or maintaining the building) **remain restricted for their original purpose.**

The same applies if parishes form a Joint Council which deals with all financial decisions and management. **Restricted Funds remain restricted for their original purpose.**

Joint Councils

- A Joint Council is a Charity and a Body Corporate
 - Can hold a bank account
 - Can be an employer
- The **APCMs** approve a Scheme to transfer PCC functions to the Joint Council
 - They can transfer **some** things and the PCCs continue to meet
 - They can transfer **everything** including all funds in which case the PCCs are placed in abeyance
 - Restricted Funds always remain restricted for their original purpose
- **APCMs must still be held and can reverse the decision to be part of a Joint Council**

Joint Councils.....

To form a Joint Council the parishes concerned:

- must be 'connected'
 - All part of the same benefice (i.e. they have the same incumbent)
 - or
 - Be part of benefices held in plurality
 - or
 - Be part of a **legally constituted** Group Ministry
- must follow the proper legal procedure and produce a Scheme which is approved by Bishop's Council

A new corporate body and charity is being created and this has to be done properly. Compared to doing this through secular law the process is a 'doddle'!

So, if we might want a Joint Council what do we do?

1) If you've not done so already, have general discussions:

- Think about whether you want a partial transfer of functions to the Joint Council or a complete transfer with no separate PCC meetings
- If it's a partial transfer, what functions do you want to transfer from PCCs to the Joint Council
- Who might be members of the Joint Council

Don't get bogged down, just decide if this is the sort of thing you probably want to do

So, if we might want a Joint Council what do we do.....?

2) Contact the Synod Office at The Old Deanery:

- You will receive a set of guidelines to help you have more detailed discussions and make all the necessary decisions
- You will be provided with a consultant to answer your questions
- You will be given a template for the actual legal Scheme that you need to produce, together with guidance on how to complete it.
- Someone will check your draft Scheme to make sure that it is properly written

Its also good practice to keep the Archdeacon informed as (s)he might have a view and will be asked for their opinion.

So, if we might want a Joint Council what do we do....?

3) Pass a resolution to approve the Scheme at the APCM of every parish involved (or an SPCM convened for the purpose):

- This must pass by a two thirds majority of those present and voting
- Make sure that the Archdeacon knows what you are doing as (s)he will be speaking on your behalf when it goes for approval by the Bishop's Council and Standing Committee.

So, if we might want a Joint Council what do we do....?

4) Send the Draft Scheme for approval by the Bishop's Council and Standing Committee:

- Once approved the Scheme will take effect on the first day of the following month
- After the Scheme takes effect the PCCs of the parishes involved have no power to make any decision on matters which have been transferred to the Joint Council
- A parish can withdraw from a Joint Council by a further Scheme passed by a two thirds majority at the APCM or an SPCM
- **Bishop's Council can decline to approve the Scheme in which case they will inform you why this is the case.**

Reduce the Number of Parishes

There are two ways of doing this:

i. **Unite two or more parishes**

- This creates a **NEW** parish
- The new PCC holds all the assets and funds of the old PCCs
- Need to decide which buildings will be Parish Churches and which will become chapels of ease

ii. **Dissolve one or more parishes**

- The area(s) are then incorporated into other parishes
- These other parishes continue to exist as the same parish but with a larger area and possibly a new name
- Assets and funds transfer to the PCC(s) of the other parish(es)

In both cases Restricted Funds remain restricted for their original purpose

How do we go about this?

- The decision on whether to dissolve or unite needs to be based on local circumstances
 - If the parishes are 'equals' it may make sense to unite but if one is much stronger it may make sense to dissolve the other(s)
- The process is the same in both cases
- This requires a 'Pastoral Scheme' run by the Diocesan Mission and Pastoral Secretary
- The process involves two stages of consultation, the first with 'Interested Parties' and the second a Public Consultation
- If no-one objects, the process takes six months from the start of the first consultation