

PARISH SHARE ALLOCATION REVIEW GROUP REPORT

Proposal for the revision of the Parish Share allocation system



ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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1. Summary of the proposed scheme

The Centenary Share System

The Centenary Share system is based on the cost of ministry applied to each benefice, the cost of providing support for our church buildings, a share of the cost of being the church together in Suffolk and across the nation, less a contribution from the wider church (the diocese). There is then some help for those who are regarded as having less than others and some support expected from those who are regarded as better off. This can be expressed in the following way.

$$(A+B+C+D)-E=F$$

	A	Cost of Stipendiary Ministry
+	B	Cost of other Ministries
+	C	Cost of church buildings
+	D	Cost of supporting the wider church family
		Subtotal
–	E	A share of diocesan income to support local mission and ministry (adjusted to take account of local income)
=	F	The share each benefice is invited to contribute

Our calculations are based upon:

- The current full cost of supporting stipendiary and self supporting clergy and lay ministers in the benefice plus the training of future ministers
- The cost of supporting church buildings based on the number of those buildings in each benefice
- A contribution towards the national church costs and diocesan support for mission and ministry based on Electoral Roll numbers

Based on the number of church buildings in each benefice there is a diocesan contribution towards the cost of mission and ministry ensuring support to all within the ecclesiastical boundary.

This simple calculation produces a Centenary Share Assessment that is prepared in the diocesan office and circulated to each benefice for allocation among its parishes.

For those in areas of income deprivation there is additional support provided by those benefices which are known to be a little better off. This support, whether a benefice which contributes or receives, is clearly shown on the assessment statement. Copies of all statements are sent to the deaneries where it is hoped that those benefices which are finding it hard to meet their assessment figure will be further supported.

2. Definitions

AURI

Annual Unrestricted Regular Income. This is aggregated out over a three year period to show the income of benefices when calculating the Parish Share under the current 'Sharing the Load' system of allocation.

Benefice

For the purposes of allocating the Parish Share under the Centenary Share System 'benefice' includes the informal working arrangements whereby some parishes are working together pending pastoral re-organisation.

Establishment numbers

For the purpose of allocating the Centenary Share 1st September is the date on which the number of ministers in post (clergy and Licensed Lay Ministers) and benefices is agreed by the archdeacons. This produces the diocesan establishment number.

Index of Income Deprivation

The Index is one of many published by the Department for Communities and Local Government. It contains information about income levels and particularly the number of people who are in receipt of various government benefits. It is regularly updated. Further information about the Index of Multiple Deprivation (of which the IID is one) can be found at <https://www.gov.uk/government/publications>.

3. Why was the Review needed?

The current Parish Share allocation system 'Sharing the Load' was introduced in 2007 following substantial research and consultation across the diocese. Between 2007 and 2011 the average amount of Parish Share received was over 93%. However, in 2012, despite no increase in the overall amount of Parish Share, the amount received fell to just over 90%. Prior to this the share was allocated by a system called 'Sharing Fairly' when the average received was 96.5%.

There are many individuals who give generously of their time, talents and treasure to the work of God in this diocese and further afield. In recent years about 75% of our parishes have paid their Parish Share in full. However, approximately 25% of parishes have been unable to make their full contribution under the current system. Thus the shortfall between the amount voted for by Diocesan Synod in the budget debates and the receipts of Parish Share is regularly in excess of £400,000 (in excess of £600,000 for 2012) which has to be met by drawing on historic reserves. Many parishes have indicated that they have used a significant amount of their reserves to make Parish Share payments which means that over the next five years there could be even greater shortfalls in receipts. In the light of this the Finance Committee resolved at a meeting in November 2011 to conduct a review of the allocation of Parish Share and consider introducing a new system, the objective of which would be collection at a rate of 100% or close to 100%.

4. The wider context

The Board of Finance, through the work of its Finance Committee, has worked hard to ensure that diocesan budgets are carefully prepared and efficiently managed. Examination of the Board's financial statements in recent years clearly demonstrates that expenditure has been held very close to budget plans. It is however the case that there has been a consistent shortfall in the receipt of Parish Share. A recent Spending Review overseen by a group chaired by the Archdeacon of Sudbury has resulted in budget reductions in an attempt to bring expenditure more closely aligned to income being generated. There have been a number of significant changes that have resulted in reduced central costs. However, the substantial gap between income and expenditure has not yet been closed despite the Board subsidising the need for income through planned expenditure of reserves. The primary intention has been to minimise Parish Share increases. The Synod has recently directed that the Board now moves back toward the provision of a balanced budget and the target date for this is 2014.

The most substantial call on the diocesan budget is for funds to meet the cost of stipendiary clergy, including their pension provision and housing. Over the next ten years there will be a significant reduction in the number of stipendiary clergy. Dioceses have been asked to look at the impact of reductions in the order of 15 – 25 % of clergy. In turn the deaneries have been asked to review their Deanery Plans and to make recommendations on where the merger of benefices could take place. The potential effect on the diocesan budget will be a reduction in expenditure on stipends and all associated costs. However, it takes time for the reductions in clergy numbers to work through the system which means that in the short to medium term we must, as a diocese, make every effort to have a system of allocation that enables diocesan expenditure on mission and ministry to be met. There are now signs of the reduction in available clergy, resulting in reduced numbers overall. This change requires substantial pastoral reorganisation which can be difficult to implement.

Although outside the remit of the Review Group attention must be paid to the development of new vocations, (not just to ordained ministry) to include the development of complementary ministries in parishes and the deaneries

(e.g. youth workers, and community workers). Such thinking was contained in the Structures Review which reported to Diocesan Synod in 2009 and also the Ministry, Education and Training Review which was adopted by Diocesan Synod in 2012.

In addition to making efforts to reduce expenditure a Giving Group has been established that is working to encourage an improvement in the average level of giving across the diocese. When compared to other dioceses our level of giving in St Edmundsbury and Ipswich places us at the bottom end of the league tables. Regardless of the Parish Share allocation method, collection of sufficient funds each year to meet the cost of mission and ministry is essential and dependent upon the generosity of all churchgoers.

5. What is Parish Share used for?

Parish Share is used to support the mission and ministry of the church in the parishes. The main call upon the Share is to pay for the stipendiary clergy. The share also supports the training of new ministers and the on-going support of all ministers.

Within the diocese there are 445 parishes within 130 benefices. Of these 74 are in multi-parish benefices and there are also five group ministries and seven teams. As a diocese we have budgeted for an average of 131.5 full-time equivalent parochially based clergy in the year 2013. 14 of these will be curates in training posts. In addition there are 67 self-supporting ministers, of whom 13 are in training posts. We have 102 licensed readers and a further 62 readers with permission to officiate. There are five lay pastors, two local evangelists and 563 elders. In addition there are many retired clergy living in the diocese, the majority of whom have permission to officiate and these ministers make a valuable contribution to the on-going task of mission and ministry.

To support the work of our church, the majority of which is parish based, there are a number of centrally employed staff to provide the necessary resources upon which parish activity is dependant, this includes administrative staff engaged with matters of finance and buildings and also those who provide support to church structures. In addition there are a number of clergy deployed to support our Ministry, Education and Training and also staff working with schools, children and young people.

6. Some theological reflections

Our starting point is to ask 'what kind of church does God want us to be?' As far back as 1996 the same question was asked in a diocesan report (Choosing our future 1996-2003) with the answer given:

- Take the world seriously as the primary object of God's love and therefore of the church's mission,
- Be a church in which the distinctiveness of individuals is valued within the vital relationship that binds us together in a common purpose, and
- Delight in the gifts the Holy Spirit gives to all people that together each local church may discover and develop in collaboration together, that ministry needed for its mission.

In many ways not only has nothing changed but also such a starting point provides us with the opportunity to reflect on the nature of church finances at both the local and diocesan level which in turn affects how we allocate the Parish Share.

The church is called to share in the mission of God and there is much in the Bible that supports the concept of growth, (both spiritual and numerical). Therefore, as we share in God's mission we need to use our resources not only to maintain the pastoral ministry of the church but also to support the wider mission of the church, however that is expressed.

Secondly, the image of the church as a body or as a family means that our finances are not just a local matter but also a corporate affair. The church in Asia raised money for the poor in Jerusalem; similarly churches which are stronger and wealthier are called to support the weaker or less well-off churches.

The gifts that God gives to us, both as individuals and as churches, are for the benefit of the whole church. Therefore whether it be using our talents for God or sharing the financial blessing we do it in recognition that all that we have comes from God and is not to be hoarded or just used for our own purposes.

In thinking about the allocation of Parish Share we start from the understanding that we are part of the wider church and have a responsibility towards supporting mission and ministry both within our local churches and also that wider mission expressed within the diocese and beyond. We are also called to challenge those things which are unjust. The obvious situation is churches that are poor being asked to contribute more than can reasonably be asked of them. It can also mean that there are some churches which, because they have members who give generously and sacrificially, have been asked to contribute more than other similar sized churches in comparable socio economic situations because those other churches have not taken their duty of stewardship as seriously. Such a principle of fairness or justice also calls upon those within the family who are not contributing a fair amount to take seriously this message and to seek to contribute more, thus relieving the burden on those around them.

Throughout the Bible much is made of the way in which humankind is made for relationship, both with God and with each other. So this sense of responsibility is foundational to all that we seek to do.

As has already been mentioned, in the New Testament we see this principle at work in the early church at the time of the famine recorded in the book of Acts. A collection was organised among the fortunate for the support of the most needy. Such support was encouraged by St Paul with a call for generosity out of a spirit of gratitude to God for all He had done in Christ. It was also an expression of that sense of being all part of the same body. Local churches had quite a high degree of autonomy but recognised their responsibility in love towards others that together the Gospel might go forward.

The hallmark of Christians should be our generous and joyful response to God. When we place our offerings before God and they are directed by the PCC to pay Parish Share to the Diocesan Board of Finance, they are not going into a black hole but rather towards the cost of parish ministry and mission. The allocation of Parish Share is a guide to what we should offer recognising that, just as individuals we each contribute according to our means, so too with our churches.

7. How the work was approached

The membership of the group is set out in Appendix I.

The Group started meeting in March 2012 and met on nine occasions and also carried out work via email.

Consultation on the Parish Share allocation was carried out by letter with PCC treasurers, clergy, rural deans, lay chairs and deanery organisers. There was also a consultation exercise at the June meeting of the Diocesan Synod.

The Group received over 100 representations on Parish Share, many of which were on behalf of PCCs or wider groups than the individual written to. The consultation was phrased in such a way that it enabled respondents to comment upon the current allocation system and also put forward suggestions for improvements.

About 25% of those responding thought the current system was satisfactory and fair. However, over 44% thought the system was unsatisfactory and unfair. Recurring themes within the comments related to the way in which the current system could be subject to sudden (and in some cases) large increases which made medium term budgeting difficult and frequently did not reflect the real ability to pay. Many commented upon the disincentive to continue to fundraise when other parishes made little effort and therefore continued to either pay small amounts of Parish Share or not make their full contribution. Many made the comment that when the current system was introduced Parish Share contributions were set at around 65% of AURI (Annual Regular Unrestricted Income), now they are 85%, which they regarded as unsustainable. There was significant support for the on-going involvement of the deanery in working with the parishes in their locality enabling support to be offered to neighbouring parishes where they were genuinely struggling.

Many of the responses came with a passionate plea for a simple system that could be understood and also a plea for less Parish Share to be requested.

The Group also looked at the systems that other dioceses used and directly contacted several dioceses so that, in addition to seeing the way in which Parish Share is allocated, they could hear about the success or otherwise of such systems. The National Stewardship Adviser visited the group and expanded on his survey of allocations systems. His survey has been carried out three times over the past 10 years and was helpful in reflecting the changing attitudes to allocation and also collection rates.

The Group also received a detailed presentation from Canon Professor Lawrence Smith, Chair of the current Parish Share Review Panel and The Revd Canon Jim Pendorf, Parish Resources Adviser.

8. Summary of the current system

The calculation of the amount requested from each deanery is built up from individual benefice financial returns. This is then adjusted so that no benefice's Parish Share is calculated at more than 85% of its available funds, weighted and averaged over the previous three years.

A large percentage of Parish Share is required to meet the "core costs" of residential stipendiary ministry posts. When this amount is set against total local unrestricted funds, the money still needed is allocated to each benefice as a percentage of their remaining available monies.

The figure is then adjusted by a notional "Multi-Church (building) Allowance", so that benefices with more than one church receive some modest relief in the calculation. Resulting benefice figures are then added together to obtain an overall deanery Parish Share; however, it is ultimately a deanery decision to determine allocation to its benefices and parishes.

Deanery Synods agree actual benefice allocations on the recommendation of the Deanery Organiser reporting through the Deanery Standing Committee. The Chair of the Review Panel sends advisory allocation models to all Deanery Organisers following the June meeting of the Diocesan Synod. This is in order to facilitate early local discussions and sharing of concerns.

9. Concerns about the current system

Even prior to the work of the Group it was clear that the current system was being questioned by some people. The consultation (summarised in section 7) highlighted the main areas of concern.

9.1. Viability

When the current system was introduced the proposal was that Parish Share would represent around 65% of AURI (see section 2 Definitions); thus leaving a reasonable proportion of income to cover local costs. By 2012 the Parish Share request had reached 85%, which for many parishes meant that they did not have enough money to cover the basic costs such as utility bills, insurance and clergy expenses. In particular the current system takes no account of the size of the insurance bill which for the larger churches is considerable. Many churches said that they would not be able to continue to meet such large requests for Parish Share. Research by the Group showed that an increasing number of the smaller churches had either exhausted their reserves or were well on their way to doing so.

9.2. Complexity of the current system

The current system is complex and not easy to explain. In itself this is not wrong. The work of previous review groups has established that parishes wanted a system that was fair and took account of ability to pay, in particular because at one stage many parishes were being asked for sums of Parish Share that were in excess of their total annual income. However, the current system is reliant on a few people being able to process all the information and produce a set of figures that can be translated into a request to a deanery for contributions towards mission and ministry. Unfortunately because of the nature of AURI it can mean that for some deaneries and parishes they see their contribution rising every year because, (in their eyes), they have been successful at encouraging people to contribute generously towards the work of God or to fundraise across the wider community. So the twin issues of complexity and disincentive (of effectively an 85% tax on increased giving) means that many feel the current system has to be changed. In addition to these concerns many respondents expressed concern that there seemed to be little connection between what was asked as a Share contribution and what was being received in services provided. It was agreed that there must be some reflection of this concern in any new system proposed.

10. The national scene - advantages and disadvantages of different schemes

This section is based on the survey carried out by John Preston, the National Stewardship Adviser. Diocesan schemes for the allocation of Parish Share fall into 3 main groups. However, regardless of the system, collection rates by the dioceses now average around 94%. Within that overall figure there is much complexity - for instance: diocese A may ask vastly different sums of parishes of similar size to diocese B. Across the dioceses 86% of parishes make a contribution of between 90-100% of the sum requested by the diocese. Not surprisingly, the parishes that are unable to contribute their Parish Share in full find that the amount requested is a significantly larger proportion of unrestricted income than those who do make a full payment.

10.1. Offer

This system has been used by some dioceses for several years and others are introducing it. The diocese informs each church of what the cost of ministry is and they prayerfully decide what to offer to the diocese. There is an expectation that whatever has been offered will be paid.

Such a system reflects the Christian principles of generosity and is well received by many parishes. It is likely to collect all of what is offered but there may be a gap between what is needed and what is offered. Where the cost of ministry is only slightly more than the previous amount contributed parishes raise their game and make an offer around the level that is expected of them. However, it requires an even spread of wealth throughout the diocese otherwise there is a strong likelihood of a shortfall between what is needed to fund the mission and ministry of the church and what is offered. Likewise, it does not work in dioceses where there are few historical resources. Some have found that over a period of time the amount of 'offer' does not keep pace with the needs of mission and ministry. When the amount offered and received is less than that required for mission and ministry then parishes must expect a cut back in ministry. However, they can also receive an unexpected bonus if the overall costs are less than the amount of money received.

10.2. Cost of ministry

There are various approaches but they are usually based upon a notional cost of ministry adjusted for wealth factor. Some dioceses remove the 'diocesan overheads' from the figure. The principle of payment for ministry received is liked by large parishes with large congregations and a single minister, but not so popular in small churches. Experience has shown that it is difficult to adjust when some costs vary greatly from one year to the next. Some view it as not particularly theologically robust because it lacks mutual support. Some dioceses seek to address this through modifications to accommodate wealth. There are three ways in which this might happen. 1) Council tax banding; but the value of houses can equate to those who are asset rich and cash poor. 2) An external data source which maps wealth of an area. However, some eclectic congregations would not be covered by such an approach. 3) Parishes estimate wealth of congregation (this usually results in parishes being more modest about the wealth of members).

10.3. Potential

Such a system is usually based on membership (Electoral Roll, and / or Usual Sunday Attendance) and if it is not to be too basic then it may require an income survey. The system works well in dioceses that have been using it for many years but is difficult to introduce elsewhere. It can affect larger churches because they are expected to contribute large sums and may not be able to have the additional ministers (not just clergy) that are required to minister to the larger congregation.

The current diocesan system of allocation falls within this general principle because it is based on historic AURI.

11. Ideas explored and discounted

The Group has looked at and discounted three options.

11.1. Continue with the current system

In that 75% of the parishes have made a full contribution, it could be argued that there is nothing wrong with the current system of allocation and with very minor adjustments it could continue. However, as has been shown by both the consultation and the work of the Group, an increasing number of parishes are at the point where they will no longer be able to meet further increases in Parish Share. Those parishes that are not able to pay have, in many cases, no prospect of paying in the near future and are feeling demoralised.

11.2. The Offer system

Many people raised the possibility of using the offer system as it is based on the principles of Christian generosity and puts the onus on the parish to fulfil its promise to the family of the diocese. The Group considered this but noted that where the system has been introduced there are problems of shortfall between the offer and the amount that is required to keep the diocese working. St Edmundsbury and Ipswich is not a diocese rich in historic resources to cover the transition from one system to another and so any new system of allocation has to move swiftly from the current large shortfall to full or near full payment. Those parishes that might be regarded as better off may not be those who are willing to offer more to help those who simply cannot pay.

11.3. Parish potential using surveys

The current system is a form of allocation based upon the potential of a parish to contribute to the diocesan family by using historic giving rates (AURI). As such it accords with the biblical principle of each according to their means. Most systems that use the potential of a parish to contribute to the work of the diocese use some form of survey of potential income. These are becoming increasingly hard to introduce and so the Group discounted this as a method. The Group did however agree that it may be right to include some independent research information to inform any new system and / or to enable adjustments according to relative wealth.

12. Proposed changes to the allocation of Parish Share

As the Group considered the issues, it formulated some basic principles by which the Parish Share might be allocated. These are:

12.1. Simplicity of communication

If at all possible the system should be simple and easy to communicate, even if the detail by which a figure is arrived at takes some working out. The system should be able to be expressed in a few lines (see Section 1). In a way that can be understood by people who are neither financial nor statistical experts and there needs to be some connection between services received and contribution made.

12.2. Fairness

The diocese is a family and not all parishes are in a position to contribute at the same level. Therefore any system of allocation should aim to treat all parishes with equity but recognise that there is a disparity of wealth between the richest and poorest areas of the diocese and the largest and smallest churches. So any system that is introduced needs to take account of some of the basics of housekeeping (e.g. there needs to be sufficient money to pay the utility bills and clergy expenses) and create a realistic level of contribution towards the overall

expenditure of the diocese. Where parishes have historically had a low level of income or non-payment of Parish Share in full they will be offered assistance through the Giving Initiative towards increasing income and therefore the ability to pay.

12.3. Affordability

Previous reviews of Parish Share and especially the recent consultation have emphasised the importance of any system of allocation being affordable. This was a key principle behind the introduction of the current system. However, the level of Parish Share requested has increased from around 65% to 85% and at this level is considered unaffordable by many churches. Therefore any new system must pay attention to the ability of all the parishes to contribute at a realistic level without the depletion of basic reserves, recognising that for some, increases will take time to achieve and require some phasing and for others reduced payment should be introduced over a transition period of three years.

12.4. Transparency

In order to achieve the principle of fairness adjustments will need to be made to the allocation to individual parishes and benefices. This must not be by sleight of hand but an open process by which other parishes can see the principles of simplicity and fairness being worked out. Parish Share statements should be clear and supported by easily understood information.

12.5. Communication of the Parish Share to parishes and deaneries

Whilst recognising the importance of the deanery a significant proportion of those who responded to the consultation could see the value in communication about the Parish Share going to parishes (or benefices) as well as deaneries. With the revision of the allocation system the Group recommends that in future the amount of Parish Share expected from a benefice is communicated direct to each benefice and that the deanery receives a summary of the deanery allocation. It will be for Treasurers and the Deanery Organisers to work out what level of support is required between the different benefices within a deanery.

12.6. The importance of the deanery

The deanery plays an important role in the mission and ministry of the church. (See section C6 of the Diocesan Handbook for a description of the role of the Deanery Synod). In recent years each deanery has developed a deanery plan that includes how the parishes working together can fulfil the call of God to share in His mission in their locality. The plans also contain thinking about the deployment of ministers. It is within this context of cooperation and support that many deaneries have also allocated the Parish Share and the Group wishes to build upon this expression of the church as a body.

One of the messages that came over very strongly from the responses to the consultation was that parishes within benefices looked to help each other and also that within deaneries some of the stronger parishes were willing to shoulder part of the financial burden of other parishes when they could see genuine need and effort being made to pay their allocation. For this reason the Group recommends that the first level of mutual support should be in the locality (the benefice and the deanery) as the 'people on the ground' know the real situation. Therefore the role of the Deanery Organiser, working with the other deanery officers, continues to be crucial to the payment of Parish Share. Once local mutual support has been exhausted then the benefice could, with the support of the deanery, turn to the diocese for additional help. The Group recommends that the role

description for the Deanery Organiser should be revised. This has not been done pending further consultation with the Organisers themselves.

13. Principles considered and discounted

13.1. Two systems

In the light of conversations with several of the larger churches and also recognising the issues around Ipswich Deanery in particular, the Group did consider whether there needed to be two systems of allocation. One for the majority of the diocese and another that dealt with the urban deanery of Ipswich and also the handful of large churches.

In the case of the larger, predominantly urban churches the case can be made that they serve a much wider area than the geographical parish, and frequently need to employ a number of staff to meet the wide range of needs of both the congregation and parish. Several have developed significant specialist ministries which are faithfully supported by generous financial contributions from church members. However, under the present system of allocation the parish will be expected to contribute a large sum towards Parish Share. In addition many of the parishes in Ipswich are in areas of significant multiple deprivation which means that some churches are required to engage in a range of social programmes and have church members with low incomes.

However, after careful reflection the Group considered two separate systems not to be the most helpful way of revising the allocation of Parish Share. In both urban and rural areas there are pockets of deprivation which can easily be hidden from view as shown in the Suffolk Foundation report *Hidden Needs of Suffolk* published in 2011. The need for the diocesan family to work together was seen as an important principle, so while recognising that larger churches wish to develop specialist ministries it was also recognised that many smaller churches would like to do so but due to their small income are unable to do so if they are to pay the Parish Share.

13.2. Discounts for regular contributions

There have been repeated calls by some parishes for the reinstatement of discounts for prompt and regular contributions. (Such a system operated in the past, and does continue in some dioceses). However, the Group took the view that although the diocese does require regular income to match the outgoings (just as parishes and individuals do) to create a system of discounts would mean that overall the Parish Share would have to increase and that it would mean that many of the poorer parishes who struggle to make their payments would end up paying more. This seems to be against the principle of fairness, in particular it is contrary to the biblical principle of the strong and wealthy helping the weak and poor. However those parishes who are able to pay in advance should be encouraged to do so as this would be a sign of support for those who are forced to pay later.

13.3. Parishes pay only the cost of stipendiary ministry

Several people have suggested that the cost of diocesan administration and support (i.e. non parochial expenditure) should be met from external income and the amount raised from the parishes should go towards the support of parish based ministry and mission as determined by the Deanery Plan. This would effectively deal with the cry from many parishes that they only want to pay for parochial ministry. However, it forces a split between what happens in the parish and the wider church. All diocesan administration is about enabling

parochial ministry and therefore every church member must be willing to accept some responsibility for helping to fund our whole costs.

14. The proposed new system of allocation

14.1. A new name

The Centenary Share System

With the introduction of a new system planned for 2014 and the plan for a fresh start in the year which sees the celebration of 100 years of our diocese it seems obvious to label the new formula for Parish Share allocation as the Centenary Share System.

14.2. New calculation

14.2.1. How it will work

All ministry is clearly and transparently costed. A cost is allocated to stipendiary, self-supporting and other ministries. This is based upon the costs that the diocese incurs in providing the current ministry and also the training of future ministers. Thus parishes are able to see that even self-supporting ministry (whether clergy or readers) which is provided by an individual who does not receive a stipend or housing, does still have a cost to the diocese. In theory if a benefice has more accredited ministers, then more ministry and mission is provided and it should enable more Christians to want to contribute towards the ministry of the church through financial support.

The **established number of ministers** will be identified for each benefice or informal grouping of parishes. The total cost for each benefice will be clearly shown and multiplied by the establishment number.

The total cost of providing support for our **church buildings** will be divided equally so that the cost per building is identified and multiplied by the number of buildings in the benefice. Every diocese is required to have a Diocesan Advisory Committee, a Chancellor and a Registrar and these costs along with other church building costs, e.g. tourism, will be included in this area.

All other costs will be shared amongst all the members of the church. The total cost will be divided by the total number of electoral roll members in the diocese and then this figure will be multiplied by the number on the electoral roll in the benefice.

All of these costs listed above and described in more detail on page 16 will be added together to arrive at a **total cost of supporting the mission and ministry of our church** in the benefice. This will enable church members to be fully aware of the full and real cost of our work.

A diocesan contribution which will be based upon a share of the relatively small contribution received from the Church Commissioners, grants, gifts, rental and fee income. This amount will be divided equally between all the benefices depending on the number of church buildings in each area and deducted from the overall cost of mission and ministry.

Having deducted the diocesan contribution from the total of all costs the assessment figure will be identified. This figure will be the amount payable towards the Centenary Share by a majority of our parishes. However, the new system will result in a number of parishes being asked to pay more than is currently requested and there will also be a number of parishes who are asked to pay substantially less.

To ensure that the amounts of money requested are realistic and fair an adjustment will be made according to the independent Index of Income Deprivation. (See section 2 Definitions)

Those parishes that are shown to be within areas of relative poverty or are asked for significantly more Parish Share under the Centenary Share System than they have previously contributed, will be supported by the wider diocesan family by way of a sliding scale based on the Index of Income Deprivation. Likewise those parishes that have previously paid more than is now assessed will be invited to contribute more than their assessment on a sliding scale also based upon the Index of Income Deprivation. By this method a pot of money is created and then redistributed amongst those parishes that would otherwise be paying more.

14.3. Implementation and Timeline

This report will be presented to the Finance Committee, Bishop's Council and then the Diocesan Synod. If it is adopted by the synod then it will be implemented with effect from January 1st 2014.

As with all new systems of allocation there will need to be a period of transition, so that those parishes that will be asked to contribute more to the mission and ministry of the diocese will have time to adapt to changed circumstances and this is to be provided for in the system presented. The Finance Committee will monitor the implementation of the new system and review it at the end of three years.

15. The Centenary Share System

Every benefice will receive a Parish Share Assessment. This will be set out in a clear and straight forward way. It will declare the full cost and be divided up as set out on the next page. Example statements are included in Appendix II.

Your services received	Establishment	Unit cost	Total (£)
1. Stipendiary Ministry			£
2. Self-Supporting Ministers			£
3. Other Ministries			£
4. Total cost of Ministries(4=1+2+3)			£
5. Support for Church Buildings			£
6. All other support for Parishes			£
7. Total of all costs(7=4+5+6)			£
8. Diocesan contribution including the Church Commissioners			£
9. Total of Assessment for your benefice or group (9=7-8)			£

10. Based upon your historic contribution towards the Parish Share and any adjustment based upon the Index of Income Deprivation your share for 2014 is: £ _____

PLEASE SEE OVER FOR FURTHER DETAILS OF HOW YOUR SHARE IS MADE UP AND IN PARTICULAR DETAILS OF THE SUPPORT BEING GIVEN TO OTHERS OR THE AMOUNT YOU ARE RECEIVING.

When the requests for Centenary Share are sent out to benefices, **the following information will be included** along with a sheet of frequently asked questions, which will also include main budget headings and figures.

1. Stipendiary Ministry

Each year the Finance Committee agrees the cost of all ministry (across the diocese) in line with the budget. The number of stipendiary clergy in your benefice is multiplied by this cost to arrive at your total. This figure is made up of the stipend and a contribution to the pension fund (this is a fixed amount applied to all clergy of incumbent status). It also includes all housing costs (including council tax and water rates) and training costs including keeping clergy up to date by means of continuing education. Please note that a benefice is not individually charged for curates or self supporting ministers in the first three years of their ministry after ordination. The cost of training future clergy is shared across the whole diocese.

2. Self-Supporting Ministers

The number of Self Supporting Ministers (SSMs) deployed in the benefice is multiplied by the current cost of providing their training and support.

3. Other Ministries

The diocese is fortunate to have a significant number of Licenced Lay Ministers (including readers and elders) working in our diocese. These people who, like SSMs, are very generous with their time and skills are trained and

supported at a cost to the whole diocese. The cost is divided by the number of Licenced Lay Ministers across the diocese and then multiplied by the number in the benefice.

4. Total cost of Ministries

This is the total cost of all the Ministries in your area (1 to 3 above) including their training and on-going support.

5. Support for Church Buildings

Every diocese is required by law to have a Diocesan Advisory Committee. We also have a Chancellor who grants faculties and a Registrar who devotes part of his time and that of his staff to administer faculty related work. In addition we are able to employ help in developing church tourism and have other statutory responsibilities for processes connected with our church buildings. These costs are shared according to the number of churches in your area.

6. All other support for Parishes

Members of the wider church family are required to contribute to central costs including the provision and support of theological colleges and national training courses. The organisation of the General Synod and the efficient running of our own diocesan synodical structure have also to be financially supported. The diocesan administrative staff, working within the synodical structures, manage a substantial charity organisation and large sums of money that have to be accounted for. They are required to manage clergy houses in accordance with legally binding processes and also manage a considerable property portfolio. As a diocese we have major responsibilities with schools and work with young people. All church members are asked to make a contribution to this support. The total costs are added together and then divided by the total electoral roll numbers across the diocese. The number of electoral roll is fixed for a three year period. The cost of support is then multiplied by the number of members in the benefice.

7. Total of all costs

The total of numbers 1 to 6 above.

8. Diocesan central contribution including the Church Commissioners

The diocese is in receipt of a small contribution from the Church Commissioners each year along other grants, fee income and gifts. Further income is generated from the Glebe portfolio and the occasional letting of clergy houses when not in use. Some interest is received from investments and additional sources of income are also being sought in order to earn income to further support the parishes. All this income is added together and then distributed back to each benefice on the basis of the number of church buildings within the benefice. The total amount contributed for your benefice is shown here.

9. Total of Assessment for your benefice or group.

The total shown at 7 less the diocesan contribution shown at 8 is the total of your assessment. However please see item 10 below.

10. Based upon your historic contribution towards Parish Share and any adjustment based upon the Index of Income Deprivation your share for 2014 is £ _____

Your share assessment may be less than you have been able to successfully contribute in recent years and before the introduction of the Centenary Share system. If so, you are asked to assist in the introduction of the new arrangements by contributing at a rate equivalent to your historic levels of contribution. This will assist those

parishes that are in areas of relative poverty or who will be invited to contribute significantly more than in previous years. The assessment is on a sliding scale based on the Index of Income Deprivation. This will help to ensure that we are all able to meet our fair share of the costs of mission and ministry across the diocese. You are assisting your neighbour. This transition will be reviewed after three years.

OR

Your share assessment is more than you have paid under the previous system. To assist you a transitional arrangement has been put in place and a further contribution has been made. This sum has been calculated according to the Index of Income Deprivation and therefore the relative financial wellbeing of people resident in your immediate community has been taken into account. By this means you are being assisted for a period of up to three years to help you to work towards making a Centenary Share contribution which fairly represents the cost of supporting the mission and ministry in your area. You will see from the information above that some parishes are paying more than their assessment based on the new arrangements and so they are in effect providing you with the additional assistance.

APPENDIX I: MEMBERSHIP OF THE GROUP

MEMBERS

Mrs Jenny Allen

Mr Rodney Baker-Bates

The Ven. John Cox

The Revd. Andrew Dotchin

The Revd. Barbara Gallagher

The Ven. Dr David Jenkins

Dr Anthony Klimowicz

Mr Tony Leigh-Pollitt

The Revd. Canon Stephen Mitchell

Mr Alick Mulhall

Mr Martin Soons

Mr George Woodward (Chair)

SUPPORTING OFFICERS

Ms Nicola Andrews (Deputy Diocesan Secretary)

Mr Nicholas Edgell (Diocesan Secretary & CEO)

The Revd. Canon Graham Hedger (Assistant Diocesan Secretary)

Mrs Katy Reade (Diocesan Accountant)

Mr Simon Nicholls (Assistant to the Diocesan Secretary)

APPENDIX II: EXAMPLE PARISH ASSESSMENTS

Your Parish Share Assessment



Archdeaconry Archdeaconry of Suffbury
 Deanery Aethwald Deanery
 Benefice The Copperfield Team Ministry

Your Benefice Benefits from	Quantity	Unit Cost Allocated To This element	Line Total
Stipendiary Clergy	3	£42,816	£128,448
Self supporting ministers	3	£1,527	£4,581
Accredited Ministries			£5,168
Total Cost of Ministry			£138,197
Support for churches	10	£268	£2,680
All other support costs	303	£84	£25,452
Subtotal: Other costs			£28,132
Subtotal: Total Real cost for your Area			£166,329
Less: Diocesan Contribution (£2,716 per church)			(£27,160)
Total assessment after Diocesan contribution			£139,169
Your historic <i>actual</i> parish share contribution for 2012 was			£106,959
Given your historic contribution towards Parish Share: your gross assessment is:			£139,195
Taking into account an adjustment for Income Deprivation you qualify for a reduction of:			£2,004
The share you are invited to pay in 2013 is:			£137,191

*See attached notes on how these items are calculated

Your Parish Share Assessment



Archdeaconry Archdeaconry of Suffbury
 Deanery Ethelred Deanery
 Benefice The Lady deBourgh Team Ministry

Your Benefice Benefits from	Quantity	Unit Cost Allocated To This element	Line Total
Stipendiary Clergy	2	£42,816	£85,632
Self supporting ministers	2	£1,527	£3,054
Accredited Ministries			£4,656
Total Cost of Ministry			£93,342
Support for churches	3	£268	£ 804
All other support costs	235	£84	£19,740
Subtotal: Other costs			£20,544
Subtotal: Total Real cost for your Area			£113,886
Less: Diocesan Contribution (-£2,716 per church)			(£8,148)
Total assessment after Diocesan contribution			£105,738
Your historic <i>actual</i> parish share contribution for 2012 was			£105,960
Given your historic contribution towards Parish Share: your gross assessment is:			£105,758
Taking into account an adjustment for Income Deprivation you qualify for a reduction of:			£4,904
The share you are invited to pay in 2013 is:			£100,854

*See attached notes on how these items are calculated