



**To Incumbents,
PCC Secretaries and Treasurers**

4 September 2020

Dear Colleagues

Parish Share Support Package

It has been a challenging and unusual year for us all and as you may know the Board have consistently said that our response to the financial constraints caused by Covid is to ensure a tripartite approach between the National Church, the parishes and the Lichfield Diocese.

The National church is making their contribution by providing a Sustainability Fund, and to date many parishes have been working hard to keep funds flowing into the diocese by paying at least some of their parish share each month.

So you may well be asking - what is the Diocese doing?

The Board would like to turn the potential **parish share** shortfall figure in 2020 of £3.5m into a positive one. We would in normal circumstances and in accounting terms provide for this sum and set it against reserves. This year the Committees of the Board agreed with an overwhelming majority rather than leave parishes with an arrear millstone for future years, that some of the Boards limited reserves will be used to be as supportive as possible to our parishes during these unprecedented times. We considered several options:

- A blanket write off – we felt this would be unfair and penalise those that have made huge efforts to address the issues they face, and those that have managed to pay their share for 2020 in full.
- An immediate reduction in share- we felt this would not help us address the current negative trend and may create issues in later years.
- A possible discount in 2021 – likely to be viewed as too little, too late

Contd ...

Lichfield Diocesan Board of Finance, St Mary's House, The Close, Lichfield, WS13 7LD

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After consultation with Bishop's Council, the Parish Assessors and the Finance Committee members it has been decided therefore to offer every parish a credit note of 1.5 months share (equates to £1.5M) with some flexible options:

1. Parishes can use this credit note to offset against the 2020 share request – this will be the default position for all parish share units.
2. If you are in a parish who is able to pay your 2020 share you could
 - a. donate your credit note to a struggling parish in your Benefice or Deanery (or nominate another parish in the Lichfield Diocese of your choice)
 - b. use your credit note towards the 2021 share – only available if you have managed to pay your 2020 share in full
 - c. Allow your credit note to be used by the DBF as an additional contribution

Option 1 is the default position in all cases, however, if your preferred option is 2 (a); (b); or (c) please email your request to finance@lichfield.anglican.org and we will ensure that your parish share account is updated.

In addition to the above Parish Share Support Package it was proposed that for 2021 there will not be any increase in the Share requested to parishes - although this proposal will be subject to the approval of Diocesan Synod in November.

With best wishes



Jonathan Hill, Director of Finance
Lichfield Diocesan Board of Finance
On behalf of
Finance Core Group

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