



DIOCESE OF
Bath & Wells

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A proposal for a revised method for allocating contributions into our Common Fund

January 2024

Foreword

In the first half of 2024 we are seeking the views of people across Bath and Wells on the proposed changes to the way we calculate what parishes are requested to contribute into our Common Fund. [The Common Fund](#), which is the most significant source of income for our diocese, allows us to pay for support ministry and mission across our diocese.

The Common Fund Committee (CFC), has been reviewing our methodology for calculating parish share over a number of years. They have been considering the current methodology, alongside other possible methodologies, with the aim of identifying something that can aid financial stability and the sustainability of the Church across our diocese.

The group grounded their thinking in theology, which you can see in Appendix 1 of this document. The verse that I kept in my heart throughout was 2 Corinthians 8-9, the most substantial passage on giving in the New Testament, which speaks of ‘the grace of our Lord Jesus Christ, who though he was rich, yet for your sakes he became poor, so that you through his poverty might become rich’. I invite you to read the passages as we contemplate the path ahead.

This consultation process, for the Common Fund methodology, began back in autumn of 2023, when the CFC proposal was shared with key diocesan leadership bodies, including Bishop’s Council, Diocesan Synod and the Area and Lay Deans. We also shared it with our Magnificat Parishes Group, and heard other concerns, such as the significant challenge of rural sparsity, at the autumn deanery visits.

We are now embarking on a wider consultation process across our diocese before Diocesan Synod is asked to make a decision on the proposal in July. We want to gather a wide range of thoughts to enable us to find a method which our diocese can commit to, which reflects God’s generosity and love, and will help us continue to live and tell the story of Jesus across our Diocese of Bath and Wells.

We look forward to the opportunity to discuss this proposal with you and to hearing your views both now and throughout the consultation.

Adrian Youings

Archdeacon of Bath, and Chair of the Common Fund Committee

Overview

Over the last number of years, the Common Fund Committee (CFC) has been reviewing the methodology for calculating parish share in Bath and Wells, alongside other possible methodologies, with the aim of identifying a method that is more equitable and will support our future financial stability.

The review took into account the biblical principles of giving and identified four foundational principles that characterise the new methodology:

1. **Mutual support and generosity** – a shared commitment to generous support of gospel ministry across the diocese, with a particular emphasis on areas of need i.e. a method that is not simply transactional.
2. **Transparency** – a method that shows clearly what the benefice share pays for, and contributes to, so that people can see where their money goes.
3. **Independence of data** – an approach that reduces the subjectivity of self-declared socio-economic data by using objective data ([Index of Multiple Deprivation](#)).
4. **Awareness of local context** – enable benefices to make local adjustments to apportionment across their parishes, appropriate to their context.

Proposed new method – Benefice Share

Because stipendiary ministry is allocated to a benefice, we are proposing moving from a Parish Share to a Benefice Share system. Benefices will be given a breakdown of how that share could be apportioned between the parishes of the benefice, for example based on attendance. The final decision will be up to the benefice.

The amount requested will include the following elements:

- A. **Direct ministry cost** – that is, the actual costs of stipend, housing, pension and training for ordained stipendiary or house for duty priests deployed in the benefice.
- B. **Proportion of diocesan-wide support costs** – a contribution towards the costs of curates, ordinands, church school support, governance, safeguarding, deanery and parish support and archdeacons, allocated in proportion to worshipping numbers.
- C. **Mutual support and generosity contribution** – a percentage of the total of parts A and B will be applied to each benefice. These contributions will create a ‘Generosity Pot’ which can then be offered to relieve the benefice share in our areas which are high on the Index of Multiple Deprivation or rural sparsity. It could also enable support for new church plants and revitalisations.

Questions for you to consider

When you review this proposal, it would be helpful if you considered the following questions. There will be an opportunity for both discussion and questions at our meeting. An online form will also be available to allow you to share your responses with us directly should you wish to.

1. Do you support the four basic foundational principles put forward by the Common Fund Committee:
 - a. Mutual support and generosity
 - b. Transparency
 - c. Independence of data
 - d. Awareness of local context

2. The proposed methodology uses deployed ministry, rather than worshipping numbers, as its starting point for calculating benefice share contributions to the Common Fund.
Do you support this approach? If not, might be your proposed alternative?

3. The proposed methodology we use worshipping numbers to apportion diocesan-wide costs.
Do you support this approach? If not, what is your proposed alternative?

4. Do you endorse the proposal of creating a generosity pot to support the most economically deprived or sparsely populated rural benefices?
Are there other particular areas you feel should receive support?

5. In the current proposal, it is suggested that we ask all parishes to contribute into the generosity pot through Part C, recognising that paying this won't be achievable for all and that generosity can be receiving lower support than calculated or expected. Feedback received so far has been split:
 - a) Some feel it would be rude and presumptuous not to ask all to contribute, as even those who are financially challenged may still want to give generously.
 - b) Others feel it is demoralising to ask those who can't even meet the cost of ministry and support to contribute to the generosity pot.

Do you agree with the proposal to ask everyone to contribute (including those who will be entitled to receive support from the generosity pot), or do you feel that our most economically challenged benefices should not be asked?

Benefice Share - further explanation

(figures quoted are 2023/24 costs)

Part A - Direct Ministry cost

This is the cost of stipend, housing, pension and training for a priest deployed in a benefice:

Cost of a full-time stipendiary priest	£55,500
Cost of a part time (0.5) stipendiary priest	£35,000
Cost of a house for duty priest	£16,750

Working on the basis of 160 (current budgeted number) full-time equivalent paid priests in our diocese, the cost of paid ordained ministry comes to a total close to £8.3m. Based on our current number of regular worshippers (16,000), this equates to approximately £10 per week, per worshipper (£520 per annum).

Part B – Proportion of diocesan-wide costs

Diocesan-wide costs are met from the Common Fund, which is made of income from benefice share, as well as other income, such as investment income and parochial fees. This includes the cost of curates, ordinands, archdeacons. It also includes the costs for support services, the teams that provide services for our diocesan community – our people, parishes, schools and colleges - and ensure the diocese meets its legal and governance obligations, as well as operational costs.

Based on current income and parochial fee levels, this equates to 47% (£2.3m) of diocesan-wide costs*, which are requested of parishes through the benefice share methodology. That is equivalent to approximately £2.70 per week per worshipper (£140 per annum) based on current worshipping numbers.

Area of Expense	Full cost	47% of costs
Provision of curates Our annual intake of curates in training is approximately 7. Their training can be for up to 4 years and so requires a budget for 28 curates per year.	£1.2m	£0.56m
Provision of archdeacons We have three archdeaconries with archdeacons, and associated offices and support.	£0.27m	£0.13m
Provision of ordinands This includes grants to support ordinands and their families through the ordination process.	£0.4m	£0.19m
Provision of vocations & clergy well-being Support for the identification and development of individuals exploring their calling to ministry and ongoing support for ministers and their families.	£0.145m	£0.07m
Mission, ministry, deanery and parish support This includes providing giving and funding support for parishes, training for lay people, support for parishes in vacancy, support for church buildings.	£0.950m	£0.44m
Support for schools and young people This includes professional advice, assistance and training for our 182 schools, as well as our work building positive links between church, household and school, in relation to children, young people and families.	£0.715m	£0.34m
Provision of central services This includes safeguarding support and training, compliance with finance, legal and governance requirements, property management, communications and HR support.	£1.22m	£0.57m
Total	£4.9m	£2.3m

* Other Common Fund income, or costs budgeted not to be incurred, which currently equate to 53% of diocesan-wide costs:

Stipendiary vacancy provision (13%)	(£1.1m)
Rental income from parsonages:	(£0.4m)
Parochial fees:	(£0.4m)
Investment income (endowed funds):	(£0.7m)
Total:	(£2.6m)

Part C - Mutual support and generosity contribution

It is proposed that a 20% contribution be applied to the A+B figure for all benefices to create a 'generosity pot' (along with LInC Funding and other income), but it is recognised that paying this won't be achievable for all.

Through initial financial modelling, by creating a generosity pot requesting 20%, support can be provided on a straight-line basis to Bath and Wells benefices in areas of deprivation. For example, the 25% most deprived according to ONS data, plus areas of significant rural sparsity, will be offered the most significant reduction on their calculated share based on their relative deprivation/sparsity data.

It's important to note that in this proposed method, the generosity pot is not for benefices where the income is low because they have either smaller numbers relative to population or lower levels of giving. These should be addressed through other means, such as mission and discipleship, discussions about deployment and long-term viability for which support is available. However, this generosity pot could be used to offer transitional support to specifically identified revitalisations or church plants.

Benefices that are eligible for support would be invited to confirm that they would like to take up the offer of support. It is noted that benefices identified as being eligible for support may not feel they want or need to seek support and indeed may feel able to offer their own contribution to the generosity pot.

What happens next

29 Jan to 9 Mar 2024	Phase one of the Common Fund consultation: An opportunity to feedback views on proposed methodology in person and over Zoom
18 March 2024	Common Fund Committee meeting: To review feedback and make recommendations to Finance Group as to any revision of the proposed methodology in the light of feedback
20 March 2024	Finance Group meeting: To review full feedback and receive recommendation from Common Fund Committee. Then make recommendation of an updated Common Fund methodology proposal to Bishop's Council.
16 April 2024	Bishop's Council meeting: To review full feedback, recommendations from the Common Fund Committee and Finance Group, and make recommendation of an updated Common Fund methodology proposal to Diocesan Synod.
Post Easter 2024 (dates tbc)	Phase 2 of the Common Fund consultation.
30 April 2024	Common Fund Committee meeting: To review Phase 2 consultation feedback, and make recommendations to Finance Group for a final draft of the proposed methodology
15 May 2024	Finance Group meeting: To review full feedback, and recommendations from the Common Fund Committee, and recommend a final draft proposal for a Common Fund methodology to Bishop's Council.
19 June 2024	Bishop's Council meeting: To review full feedback and recommendations from the Common Fund Committee and Finance Group and recommend a final draft proposal for a Common Fund methodology to Diocesan Synod.
10 July 2024	Diocesan Synod meeting: A decision is made on the proposed new Common Fund methodology.
Autumn 2024	Common Fund requests for 2025 issued.

Appendix 1

The theological basis for Benefice Share

The very first pen picture of the church in Acts describes a community which shared life, food, and money: 'all the believers were together and had everything in common. Selling their possessions and goods, they gave to anyone as they had need' (Acts 2:45-6). Giving was an integral part of church life and discipleship - 16 of Jesus' 38 parables deal with money in some way.

Early church giving was a direct response to three specific things:

1. The grace of God

Romans 8 describes a God who 'graciously gives us all things', having not even spared His own Son. 2 Corinthians 8-9, the most substantial passage on giving in the New Testament, speaks of 'the grace of our Lord Jesus Christ, who though he was rich, yet for your sakes he became poor, so that you through his poverty might become rich'. Paul repeatedly in these chapters writes of giving as a worshipful response to God's goodness, to which God in turn responds with even more grace and blessing. Our own diocesan mission statement reminds us that all we do is 'in response to Gods immense love for us...'

2. Addressing poverty

The giving in the Jerusalem church (Acts 2:45-6, 4:34, 6:1-4) is focused on relieving poverty and providing food for those in need. 2 Corinthians 8-9 is about a gift organised by the Macedonian churches for the impoverished Christians in Jerusalem. The church in Antioch does the same (Acts 11:27-30). It is notable that the Jerusalem church seems to have an ongoing problem with poverty and lack of resources, and repeatedly needs help from other churches, yet this help is joyfully given and never begrudged.

3. Supporting the ministers of the gospel

Jesus is financially supported by a group of women (Luke 8:1-3) and Paul is supported as a missionary in various ways, both by hospitality on his journeys (Romans 15:24, 1 Cor 16:6) and by churches supporting him directly – the Macedonian church when he is preaching in Corinth (2 Cor 11:8-9), and the Philippian church when he was in Thessalonica (Phil 4:16). On his 2nd and 3rd missionary journeys, Paul works as a tentmaker to reduce his financial needs. Ministers of the gospel have a right to support (1 Cor 9:15), although Paul's work also actually provided for both himself and his team (Acts 20:34 'these hands of mine have supplied my own needs and those of my companions'). There are repeated teachings throughout the NT about not being a burden to others and providing for your own needs where possible (e.g. 2 Thes 3:6-12).

Giving is normal practice in the early church, and all of it is focused on just these two outcomes – relieving poverty in the church, and helping the spread of the gospel. It is also relational – gifts are either within a church community (Acts 2, 4), or sent with a courier bearing greetings, prayer and encouragement.

Other features of New Testament teaching on giving include:

- It's a privilege 'the privilege of sharing in this service to the saints' (2 Cor 8:4)
- It can be both planned (1 Cor 16:2) and spontaneous.
- It's not supposed to plunge the giver into poverty, but at the same time we trust God to supply our needs, according to His riches in Christ. (2 Cor 8:13-14)
- God blesses those who give generously (2 Cor 9:6-11)
- It's expected from the word go: the Acts 2 church had only just become Christians, the churches in Macedonia and Corinth were 4-6 years old. New Testament teaching on giving is not for 'mature' Christians, it's for all Christians, even the newborns.
- The experience of poverty doesn't necessarily preclude generosity, as seen in the case of the Macedonian Christians (2 Cor 8:2)

The New Testament picture of giving is that it is a generous response to a generous God, given where it can make a difference: to bless and encourage the church, to relieve practical need and to further the gospel.

Appendix 2

Why we are considering a change of method

The current method for calculating the request to parishes' contributions to the Common Fund in Bath and Wells is a membership-based parish share model, with contributions based on the number of worshipping members and their self-assessed socio-economic status. In 2018, more than 98% of the contributions requested to sustain mission and ministry across Bath and Wells were paid into the Common Fund. At that time, it was felt that that a change in method could not be justified, despite increasing questions about the equity and sustainability of the model.

Since 2020, however, the payment rate for parish share has dropped significantly. This, combined with the reliance over the last ten years on ongoing investment returns, or selling historic assets such as investments and properties in order to balance finances, has contributed to an operating deficit of £2m in 2021 and 2022, and £1.6m in 2023.

These financial challenges have led to some very difficult decisions being taken, including a restructuring of the diocesan support services and a reduction in stipendiary clergy posts.. A significant number of parishes are not meeting their share request and some are not paying anything at all. This situation cannot be ignored. If the Common Fund contributions do not match the levels of ministry to which we are committed, the planned level of ministry and ministry support will not be able to be sustained.

Our diocesan vision is based on an understanding of God's generous love and a desire to reflect that generosity to each other. In 2020, 60% of our parishes were, in effect, 'supported' (i.e. their parish share contribution did not cover the costs of the ministry deployed to them), with the other 40% 'supporting' those parishes (i.e. contributing a figure in excess of the calculated costs of ministry deployed to them). However, at the beginning of 2024, that percentage has shifted significantly. We now have 80% of our parishes whose ministry costs are 'supported' towards the cost of the ministry deployed to them by only 20% of our parishes. This is unsustainable.

In addition, for some years concerns have been raised in respect of parishes' contributions and with our current allocation method, including:

- On-going, year-on-year rises in share are unsustainable across the board in the light of declining membership.
- The shortcomings in consistency in both how members are counted and especially how relative wealth is assessed.
- The perception of some that our model is a 'tax on growth'.
- The feeling of churches with larger worshipping communities that they are under-resourced with stipendiary clergy compared to the level of parish share they pay.

An interim measure known as Benefice Ministry Allowance (BMA), has been in place to assist the larger churches whose share far outweighs the stipendiary resources they receive. This has been funded from reserves, anticipating a new methodology being in place.

Appendix 3 – Methods considered

The Common Fund Committee (CFC) has reviewed the current methodology for calculating parish share in Bath and Wells alongside other methodologies used by dioceses across the country. Each of the 42 Church of England dioceses adopts its own method for raising money to support its mission and ministry. A review of methodologies published by the national Church in 2018 showed that no one method is seen as the ‘ideal’ solution. All have significant pros, cons and local factors that affect which might be most suitable. There are three or four basic approaches used by different dioceses, with a range of diocese-specific variations.

Parish Offer model

A parish makes a freewill offering to the Common Fund, perhaps having been given an estimate of the cost of ministry and the support services.

Pros: this is the way giving is done in parishes. It removes the idea of share increases as a tax on growth. It is simple, and potentially unlocks a spirit of generosity.

Cons: it offers little financial certainty and makes budgeting and planning very difficult. It could lead to a decrease in income (based on the experience of other dioceses), which could lead to making significant further budgetary cuts or be regularly communicating with parishes the need to contribute more. It tends to work best in dioceses where little mutual support is needed.

Ministry Cost model

A benefice is asked to cover the cost of the ministry they receive along with a contribution towards diocesan support and ministry costs, and in some models a contribution towards less well-off parishes.

Pros: it is a clear and transparent method. Benefices pay for what they receive, and so it is clear to all how the money is spent. It is likely to lead to higher degree of ownership of the method by individual parishes. There is less of a direct link to membership numbers and so increases and decreases to share when people leave or join are reduced. It could take away the subjectivity of identifying the relative wealth of members.

Cons: this method may remove any sense of mutuality if it does not include some element of generosity.

Potential to Give model

Like the current method used in Bath and Wells, parishes contribute according to the number of regular worshippers and their relative ability to contribute. Some dioceses then make an adjustment such as a cap for larger parishes. In Bath and Wells that is done through BMA.

Pros: this has a high degree of mutuality. Every parish contributes according to the number of people they have. Everyone gives approximately the same level.

Cons: it can easily be seen as a tax on growth and a disincentive to grow our worshipping communities, with new members being seen as a cost. This method struggles to seem equitable at its extremes/edges i.e. larger churches paying in large sums to our common fund, whilst also having to spend money on staff; sustaining larger numbers of smaller church congregations which may not currently be sustainable. This method requires robust methods for (a) identifying and counting members and (b) assessing relative wealth of church members.

Deanery Share model

Some dioceses operate a deanery share system i.e. deaneries are allocated a share, and the deaneries agree to split that share between them.

Pros: there are closer relationships within a deanery and so a potentially greater degree of mutuality. This could create a greater interrelation with deployment locally.

Cons: individuals making independent and supported decisions about peers is potentially difficult and divisive, though also potentially uniting, and might result in increased working together. There is however a significant capacity issue for deanery leadership as their focus is currently on missional objectives.