

Meeting the Cost of being Church together as we pursue our vision to Make Jesus Known

The New Share System

September 2024



Summary of the Diocesan Finances since 2018

		2018	2019	2020	2021	2022	2023
		£000'	£000'	£000'	£000'	£000'	£000'
Share Receipts		9916	10273	9906	9697	9903	10008
Operating Loss		517	712	1997	1912	1160	1196
General Reserves		5045	4868	3163	4003	2696	1897



Rationale for the reform of the Parish Share System

- When Fairer Share was first introduced 20 years ago 50% of parishes were net contributors and 50% received support, now the ratio is 30/70 and the 30% of contributors are feeling the strain
- The Diocesan Worshipping Community was much larger (approx. 28,000 in 2005), as numbers declined the moderating criteria no longer reflected reality (20 years ago the avg. FS members per priest was 150, now it is nearer 130)
- The modification factor for ministry was not widely understood and we had stopped communicating about it. Also, some parishes were playing on the subjectivity of the count the concept of 'affluence'.
- There was a perception that the scheme penalised growth as it was heavily weighted by the number of members (despite the use of a 3-year rolling average)
- Latterly....Covid put a coach and horses through the system as we could not carry out accurate counts



Research into a new Share Scheme revealed

- A preference for a hybrid system – part cost of ministry provision, part mutual support
- A desire for transparency over costs
- A desire for clear principles supporting an objective and simple to understand system
- Ambivalence over whether affluence should be a factor in assessing people's willingness and ability to give (see next slide), but affordability was deemed important



Research for the new Share Scheme – Affluence

Responses reflected the ambivalence over affluence – and crucially showed regular giving was a minority of most parishes' income.

The responses indicate:

Church attendance does not necessarily relate to those that support the church financially

The affluence of the church members or the wider parish community does not necessarily reflect the ability or willingness to support the church financially

Regular giving or collections from those that participate in church life are only part of how parishes generate income.



Based on 2019 and 2020 parish finance returns as part of CofE statistics of the Diocese of Salisbury



The outline of the new Parish Share System:

- A hybrid system, part cost/part membership
- 60% of the Share request allocated to benefices according to the ministry deployed there (the cost element)
- 40% of the Share request allocated according to their Worshipping Community (the membership element) – the National Definition of Worshipping Community to be used (excluding under 18s)
- Why 60/40? It endeavours to strike a balance between the needs and ability to pay of urban and rural benefices – a purely cost system favours the urban church, a hybrid system helps re-balance that
- No account to be taken of relative affluence because research shows the level of giving bears little relationship to affluence



Nationally defined Worshipping Community (WCom) (so it can be used for the mutual support element)

The 'worshipping community' of a church is defined as anyone who attends that church (including fresh expressions of Church) regularly, for example at least once a month, or would do so if not prevented by illness, infirmity or temporary absence. It includes activities such as fellowship groups and other activities that have a distinct act of worship or prayer. It also includes acts of worship not on church premises (e.g. at a school or community centre).

It **includes**:

Those who come to midweek services; are ill and unable to come to church; are away on holiday or business; have home communions; are part of a regular 'fresh expression' of church; live in care or residential homes and would consider themselves to be full members of their church; give regularly to their church; lead worship.

It **does not** include:

Visitors – e.g. holidaymakers, baptism parties or those who consider their 'home' church to be another church, or those under 18 years of age.



A Hypothetical example based on a Multi-parish rural benefice

The total Share request is £12.57m, so £7.54m allocated by cost, £5.03m allocated by membership

- There are 160.18 Full Time Equivalent (FTE) priests deployed across the Diocese
- The total Worshipping Community (WCom) across the Diocese is 18,935
- Cost element: $\text{£}7.54\text{m}/160.18 = \text{£}47,070$ per priest
- Membership element: $\text{£}5.03\text{m}/18,935 = \text{£}265$ per member
- If a parish has one stipendiary priest, a 0.33 House for Duty priest and a WCom of 125, their share request will be $(\text{£}47070 * 1.33) + (\text{£}265 * 125 \text{ people}) = \text{£}95,728$



Hypothetical example – allocation within the benefice

The benefice consists of 6 churches with the following Worshipping Communities figures:

- Parish A = 12
- Parish B = 35
- Parish C = 15
- Parish D = 45
- Parish E = 8
- Parish F = 10

The Share request would be advised as follows:

- Parish A = $95728 * 12 / 125 = \text{£}9,190$
- Parish B = $95728 * 35 / 125 = \text{£}26,804$
- Parish C = $95728 * 15 / 125 = \text{£}11,487$
- Parish D = $95728 * 45 / 125 = \text{£}34,462$
- Parish E = $95728 * 8 / 125 = \text{£}6,127$
- Parish F = $95728 * 10 / 125 = \text{£}7,658$

Total = $\text{£}95,728$



Other elements to be included

- Use of the income on the Stipends Capital Account to help subsidise the really poor parishes and assist parishes in temporary difficulty. Parishes are able to bid for assistance from the fund
- Rebate of part of the prior year's fees for weddings and funerals – recognising some priests spend a lot of their time on these services and others take comparatively few of them
- No relief for vacancies but if they last longer than a year, 75% of letting income from the parsonage to be credited against the share request in the second year
- **A 4-year transition period to smooth out the changes but don't get hung up on the 2028 projected figure!**
- Leave the discount scheme as it is – 1.5% discount (increase from the 0.5% for 2024) for paying in full by end of January or in 12 instalments by DD



Other elements to be included cont.

- Changes in Deployment or Pastoral Reorganisation affecting benefices to be notified by 1st July of the previous year
- In multi-parish benefices worshippers to be counted only once & in their 'home' church
- Request to be made to parishes based on Wcom numbers but with the suggestion that within a multi-parish benefice an alternative means of apportionment can be used
- Share requests to be sent out in September and multi-parish benefices have until end of October to notify the Accounts Dept if they are not using WCom figures to allocate between parishes within the benefice
- Request to be rounded to nearest pound.
- A manual/rulebook to be maintained on Diocesan Website (like the old Fairer Share Guide)



Summary

- The new scheme is designed to ensure that every benefice contributes a realistic amount of the costs involved in being part of the Diocese and since deploying clergy in parishes is our major cost, it is appropriate to link this to the clergy deployed in a particular benefice
- Equally a larger WCom. will have more contributors, so it also appropriate they pay more than a smaller congregation
- It endeavours to strike a balance between the needs and ability to pay of urban and rural benefices – a purely cost system favours the urban church, a hybrid system with partial rebate of fees re-balances that
- **Deliberately moving away from 'the cost of a priest' to the 'cost of being Church in Salisbury Diocese' in order to encourage a less transactional response from parishes.**
- It will not result in a reduction of share for the majority of Benefices

