

Making sense of your Parish Share in 2011



This pamphlet is intended to provide background to understanding the principles behind the Parish Share System operated by the Diocese of Guildford in 2011 and to help explain why things might have changed for your parish.

It is not designed to provide all the detail a treasurer might like to see, so for more information go to the Diocesan Website:

<http://www.cofeguildford.org.uk>

then select – *What We Do/ Resources/Treasurers Resource Area.*

What Parish Share does

Parish Share in every diocese provides the funds to enable the Church of England to function in all its amazing diversity. In that respect it is the lifeblood of the Church of England ensuring that all of us are involved in the national remit of representing the Gospel wherever people live in our diocese and in England.

A tight ship

Parish share is based upon the premise that each parish must pay for 100% of its direct costs of clergy, and should additionally make a contribution towards supporting clergy and ordinand training, and Diocesan and National church costs ('Shared Costs'), based on an assessment of ability to pay.

In a diocese like Guildford, which has limited income from legacies and investments, Parish Share pays for almost all of the net costs of the total Diocesan budget. This budget includes all direct clergy, diocesan and national church costs. The diocesan budget is approved by diocesan synod each year and in recent years strenuous efforts have been made to limit increases

*Guildford Diocese seeks to run 'a tight ship'. In 2010 there was no diocesan budget increase. In 2011, against a backdrop of 4.6% inflation (RPI), the diocesan budget makes provision for a 1.6% increase in the cost of **Ministry in the Parishes** (74% of our costs – clergy housing and stipends). However, at the same time net costs of **Diocesan Support for Parishes** (15% of our costs) actually decreases by 3.3%.*

*The remaining costs relate to **Special Items** or **National Obligations** and these will increase in 2011. In common with a number of other dioceses, ours has a national obligation to support dioceses in more economically challenging parts of the country. Around 10% of our costs (ca £1m) is reflected in **National Church Obligations** and our contribution to the **National Clergy Training Budget**. We receive benefits in the form of trained clergy, and a small grant is received from the Church Commissioners, but overall we are a significant net contributor to the Church nationally.*

Overall, therefore, budgeted costs will increase no more than 1.7% in 2011 following a zero % increase in 2010.

The Annual Report (the current one covers 2009, with 2010's now in production) or the leaflet 'What we do together' produced last Autumn for treasurers are both accessible from the Home Page of the diocesan website and will answer your questions as to how parish share resources are spent and will highlight in some detail just what support services are offered by personnel at Diocesan House.



Above Diocesan Synod in progress

How your Parish Share is calculated

Ministry contribution

+ Shared Costs

= Basic Share.....Adjustments applied

= Net Share

Direct clergy costs: The real cost of ministry

At its root, the system used by Guildford Diocese includes 100% of the average gross costs of ministry for clergy of incumbent status (A Rector, Vicar or Priest in Charge) or serving on a 'House for Duty' basis. A Senior Curate or Associate Minister post is treated separately from Parish Share in all cases from January 2011 and for some parishes that will have Parish Share implications. To give you some idea, these costs are shown below.

Direct costs of clergy represent the majority of costs covered by parish share.

The table below provides the figures to break down the cost of Clergy, Title Curates and House for Duty Clergy:



Left Guildford clergy reaffirm their ministry vows in Holy Week

The '*shared savings*'* column (middle of the table) is the one used in Parish Share

calculations and highlights how the savings made when vacancies occur throughout the diocese are passed on to all parishes.

It shows that in 2011 a full time incumbent costs the diocese, in all, about £42,700 - although of course a priest's 'stipend' (which roughly equates to what in another setting might be called 'salary') is very much less than that (see column in red).

Per head gross	Incumbents	Incumbents	Title Curates	House for Duty clergy
		<i>Shared savings*</i>		
Stipend	£25,000	£23,400	£22,700	£0.0
Nat Ins	£2,200	£2,100	£1,900	£0.0
Pension	£7,900	£7,400	£7,900	£0.0
Training	£300	£300	£300	£300
Removals	£900	£800	£800	£800
Council tax	£2,500	£2,400	£2,400	£2,400
Housing	£6,700	£6,300	£0.0	£6,200
TOTAL (rounded)	£45,500	£42,700	£36,000	£9,700

Our Diocesan Share System

A great deal of work has gone into making our Share system as scrupulously fair as possible but like any other financial structure in a changing world it can never remain entirely static and from time to time might look unbalanced to those at the 'paying' end.

It's worth commenting that part of each parish's individual calculation focuses on 'shared costs' which means that parishes losing members tend to pay less, while those gaining them pay more. As a principle that makes good sense, provided plans are in place to address those parishes losing members.



The way to see this is that the system enables parishes blessed with 'more' to encourage those with 'less'.

Shared costs

Shared costs are allocated based upon an assessment of church membership and relative prosperity – thus larger and more prosperous parishes pay more.

Church membership: Sunday Attendance

For 2011, the number of people in the parish has been based on Sunday attendance – rather than, up until now, the number of people with whom the parish engages during a week. *This change in methodology will have had an impact on some parishes' levels of parish share in 2011.*



Relative Prosperity Factor

The other part of the calculation for the assessment of the allocation of shared costs payable by a given parish is determined by the Relative Prosperity Factor (RPF), which is based on local council tax bandings within the parish. The RPF acknowledges that not all areas of Surrey and North East Hampshire enjoy the same level of affluence. *The results of a review of RPF for the period 2011-13 affects the 'shared cost' element in some 2011 Parish Share calculations.*

Above Chiddingfold's 'Room for the Future' is opened 2010

Capping

Our diocesan scheme is 'capped', the 'cap' on net Parish Share now being 65% of a parish's gross expenditure. *The overall effect of this in 2011 (see 'Comparisons' below) was that three 'new' parishes would benefit from capping – leaving them a little extra cash for things they want to do. Happily six parishes no longer need that support.*

End result of 2011 changes

The changes in RPF and membership for 2011 increased the number of parishes facing larger increases to 13, but against that, the Diocesan Synod has agreed that 'Discretionary Relief' to limit increases to 10% will apply for 2011.

Comparison with last year

The Final Net Parish Share for 2011 compared with the Net Parish Share for 2010 shows that:

- Six parishes face increases of more than 25%. In some cases because of increased potential (Membership and/or Relative Prosperity Factor). These increases will be limited to 10% except where a turnaround scheme agreed with the Diocesan finance team has agreed a higher increase.
- A further three parishes face increases of more than 15% (the old maximum)
- Another eight have increases of less than 15% but more than 10%. Again, these will all be limited to 10% in 2011.
- 146 parishes have increases of less than 10% and of these, 66 parishes have an increase of less than 1%. 56 of these have a Net Parish Share less than they paid in 2010
- In addition, for 25 parishes Share has been 'capped' because it would take away from the parish too great a proportion of their income to enable them to be effective. This, as commented above, has had the effect of adding three 'new' parishes, while, encouragingly, six no longer need this kind of discretionary support.

FAQs

“Why has our Share increased when our Prosperity Factor has decreased?”

Prosperity is only one factor in the Parish Share calculation. Other questions to be asked include: Has your three year average membership increased? Was your expenditure in the previous year significantly higher than normal?

“Our Share has increased, but our neighbours have Decreased, why is that?”

See aboveWe don't know their precise circumstances.

“Our membership dropped last year, but our Share has stayed the same”

The membership factor feeds in to the 'potential' calculation for each parish. Membership is calculated on a three year rolling average. However, as membership statistics are only submitted each year after Share has been calculated, the impact of changes will not be felt until the next but one year. So, a drop in membership in 2010 will only start to impact the level of Share in 2012.

“How is the Relative Prosperity Factor calculated?”

It's complicated! If you wish to delve deeply into the process, take a look at the treasurers' section of the Diocesan website (see intro on p 1).

“I believe the Parish Share system is fundamentally flawed. How can I change it?”

The Parish Share system was approved by the Diocesan Synod in 2007 after an extremely detailed and comprehensive consultation process. Although a number of 'tweaks' have been made to the system since then, the basic tenets have not changed.

No system for allocating Parish Share in any diocese will ever be perfect or liked by everyone - as demonstrated by the many different systems operated throughout the country! As Diocesan Synod approved the system, only they can change it. Synodical structures allow for motions from Deaneries, PCCs and, on occasion, even individuals to be taken to Diocesan Synod for debate.

Leatherhead – Trinity School



St Mark's Tattenham Corner



St Peter & St Paul, Albury