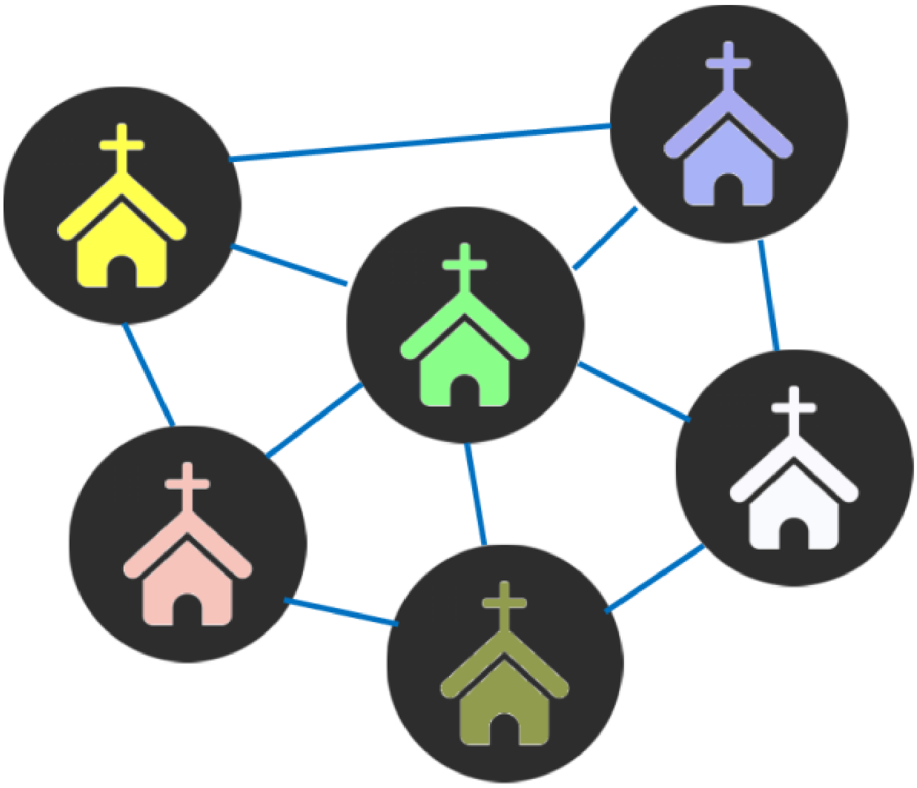
2015 Parish Share Systems Review



"Parish Share" and similar systems enable parishes to contribute over £325 million to dioceses each year, making a very substantial contribution to the costs of clergy and diocesan overheads.

This review summarises parish share systems in use around the dioceses. It does not seek to recommend one approach over another, but rather offers an overview of the current situation, some reflections on different types of system and some illustrations and statistics. It aims to resource and inform those whose responsibility it is to determine how the costs of parochial ministry can best be shared across the Church.

John Preston
National Stewardship and Resources Officer

Executive Summary

1. Whilst there is a wide variety of approaches to parish share allocation amongst the 42 dioceses, there are some common groupings:
   - 12 dioceses largely allocate costs in proportion to clergy allocation
   - 11 diocese inform benefices or deaneries of costs, but invite offerings towards or in excess of these costs.
   - 8 dioceses allocate according to "potential ability to give" combining membership and some form of wealth/incomes factor.
   - 5 dioceses allocate using a formula which aims to take account of a range of different elements such as: PCC Income, Membership and Ministry resource.
   - 3 dioceses operate a mixed system, usually allocating direct ministry costs to the benefice or deanery, and sharing diocesan overhead using a different allocation method.
   - 3 have temporary arrangements pending the introduction of a new system
2. There has been an increase in the number of dioceses making major changes to their parish share system. Since the 2012 review, sixteen dioceses have implemented a new system, with a further three currently carrying out a major review. Between the 2009 and 2012 report there were just four dioceses implementing new share systems, and between the 2006 and 2009 report there were eleven. There is a trend towards "cost based systems" – either those which allocate cost, or seek an offer towards it.
3. Deanery allocation: 7 dioceses allocate shares to deaneries, leaving it to the deanery to determine how at will be subdivided. "Deanery allocation" also includes systems which ask deaneries to work together to contribute the costs of ministry in the deanery.
4. Adjusting for Wealth: Many dioceses have some element of the parish share system which asks or encourages those who are wealthier to contribute more than those who have less. The report lists a number of different approaches.
5. Cash Flow and Discounts. Ten dioceses offer a discount for payment by monthly direct debit or for payment in full by a certain time in the year.
6. Commentaries are provided on Good Practice with Offer Based systems following a workshop at the October 2014 IDFF, on patterns in parish share collection and on the communication of parish share.

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A. Parish Share in Overview

A1 Around a third of a billion pounds contributed

There is a temptation to take a short term view of Parish Share – as dioceses support and encourage parishes struggling to pay this year's share; whilst challenging parishes who appear not to be trying as hard as we might like, and managing the consequences of shortfalls in contribution.

Yet in overview, it is extremely encouraging that parishes contribute around a third of a billion pounds, and have increased their contributions by over 25% over the past ten years (2014 vs 2004) despite reductions in Sunday attendance. Contributions have increased every year although 2010 and 2011 both saw small increases requested and contributed (some dioceses lowered the amount requested in those years).

Whilst it is too simplistic to equate giving with parish share as parishes to have other income sources, the amount requested across the whole of the Church of England is equivalent to weekly giving of £9.20 for each of the 722,100 adult attendees[1] on an average Sunday, more than double what it was in 2000, and considerably ahead of the 35% real terms increase (CPI).

TABLE 1	Requested (£ million)	Increase	Contributed (£ million)	Increase	Contributed (%)
2015	345.3	1.8%			
2014	339.2	1.6%	325.2	2.8%	94.5%
2013	333.9	1.6%	316.4	0.9%	94.7%
2012	328.8	0.7%	313.5	1.3%	95.4%
2011	326.6	0.3%	309.4	0.3%	94.5%
2010	325.7	0.1%	308.4	0.2%	94.7%
2009	325.3	3.7%	307.7	3.0%	94.6%
2008	313.7	3.5%	298.6	3.7%	95.2%
2007	302.9	3.6%	288.1	3.5%	95.1%
2006	292.4	4.2%	278.3	2.7%	95.2%
2005	280.6	4.6%	271.1	4.5%	96.6%
2004	268.2	5.4%	259.3	5.5%	96.7%
2003	254.4	6.9%	245.7	6.9%	96.6%
2002	238.1	6.3%	230.0	6.4%	96.6%
2001	224.0	12.9%	216.1		96.5%
2000	198.4				

Sources: Parish Finance & Mission returns, Parish Share panel results for 2014.

A2 Slight decline in collection rates over the past decade

Table 1 shows that over time, "collection rates" (the amount contributed compared with that requested or offered) have in aggregate shown two percentage points decline between 2001 and 2014. Between 2000 and 2005, there were very significant increases in share requested which were absorbed by parishes with the percentage collection rate barely unchanged at around 96.6%.

[1] This figure relates to 2013 Average Adult Sunday Attendance, but is unlikely to have risen markedly since.

From 2006 to the onset of the economic crisis in 2008 there was a reduction of about one and a half percentage points in the collection rate to just over 95%. From 2009 onwards, the collection rate has stabilised at around 94.6% with the exception of 2012 which saw a higher result.

A3 Link between Collection Rate and Amount Requested/Offered

In assessing collection rates it should be noted that there has been an increase in the number of dioceses using Offer schemes where parishes make an offer to the Diocese of the amount they are able to contribute. The 'collection rate' is much higher for offer dioceses - 2014 share panel results show that dioceses using an offer scheme had an average collection rate in excess of 99.5%. However, there is much less control over the amount offered, and it is possible for parish offers to result in either a decrease or very small increase year on year and still deliver a 100% collection rate.

A4 The size of the ask varies by diocese!

Appendix One gives data by diocese.

There are a range of factors which influence the amount needed from parishes to sustain ministry across the diocese, and therefore the requested/offered share contribution per head varies considerably. The highest diocesan request asks its parishes for a share contribution equivalent to a cost of £530 per 'church member' (one third electoral roll + two thirds Average Adult Sunday attendee); whilst the lowest request is the equivalent of £317 per member.

When expressed as a percentage of parish unrestricted income, averaged across the diocese there is again wide deviation, from 71% of total parish unrestricted income, to 26%.

There have been widely different increases in parish share contributions. Taking a ten year view on data from Parish Finance Returns, the table in Appendix One shows diocesan increases in Parish Share received ranged from a 44% increase to less than a 1% increase (and that in the diocese with the lowest amount requested per member) The average increase in Parish Share received nationally was 22% over the period.

B Share Allocation Methods

B1 Fairness

For a parish share system to succeed, it needs to be seen to be fair, and the main criticism of a system is that it is not fair. Yet fairness can mean different things. For instance "fairness" could mean:

- every church member in the diocese contributing the same amount (£) to the costs of ministry across the diocese. (Equal cash amount)
- every church member contributing the same proportion of their income to the costs of ministry. (Equal generosity).
- parishes paying for what they receive - those who receive more, pay more.

Clearly no one method can achieve all three dimensions of "fairness" simultaneously, and no simple allocation method will universally be seen as fair. There is a trade-off between complexity of formula, and perceived fairness, and it is this difficulty of simultaneously achieving fairness and transparency that leads to frequent reviews of parish share systems.

In one sense, offer systems sidestep this since they do not impose an allocation, but invite the parish to decide how much it will contribute. However, there is still potential for the system to be seen as unfair if it becomes perceived that there is a wide disparity in the relative generosity of parish offers.

Whilst the type of system a diocese chooses to use is important, there are even more significant factors impacting the success of a system in resourcing the work and mission of a diocese. Having a sense of unity and common purpose across a diocese is vital if there is to be any significant degree of mutual support from richer, larger parishes to smaller, poorer ones. The system needs to be understood and to be transparent if parishes are to commit to any sacrificial generosity in their offer or in meeting the share request. The type of share system used is **not** the biggest impact on its success.

B2 Types of Parish Share System

Whilst every diocese is different in the details of their scheme, there are five common methods of allocating parish share adopted by a number of dioceses:

1. Ministry Cost is the underlying driver.

Twelve dioceses allocate parish share in proportion to the costs of ministry allocated to a parish, benefice or deanery. (Three other dioceses allocate ministry costs in this way, and other costs according to a different method – see point 5.) Adjustments are usually made to incorporate curates at a lower rate, and to allow for NSMs and "house for duty" priests. The ministry cost may be amended by a wealth factor or by the ability for parishes or deaneries to seek grants from the diocese where there is a rationale for additional support.

Strengths and Weaknesses

- The system is simple and transparent.
- Without the wealth factor, this system has the lowest degree of mutual support parishes or deaneries are asked to give to others over and above their own costs.
- Without a wealth factor there is also a risk of "congregationalism" as parishes focus on meeting their own costs. This can be partially mitigated by allocating cost to a deanery, and allowing the deanery to apportion amongst themselves.

2. Offerings towards or in excess of Ministry Cost

Eleven dioceses inform deaneries or benefices of the cost of their stipendiary ministry, and invite offerings to meet these costs. There will often be a suggestion that wealthier areas might make an offering in excess of cost, to enable those in poorer areas to be able to offer less.

Strengths and Weaknesses

- This approach emphasises at a parish level the generosity and spirit of offering that we seek to nurture in individual giving.
- Early experience suggests that this approach may work best when relatively little mutual support is required. The argument proposed in support of this is that it is motivating for parishes to seek to increase the level of their parish offer to 'pay their way', and many parishes in richer areas are willing to make some offering above cost to support poorer parishes, but that getting offerings significantly in excess of cost is harder.
- There is little control over the total level of offers, and offers can go down as well as up, although some parishes can be encouraged to increase their generosity. This can make a larger challenge in setting the Diocesan Budget, although parishes tend to honour their offers and the collection rate is higher than with other systems. So the amount of money received may be unchanged – just with an earlier warning that it will be lower than desired.

3. Potential to Give

Eight dioceses use some estimate of the "potential" ability of donors in a parish to give to apportion share. This combines some measure of membership and some form of wealth/incomes factor.

The membership calculation may use a variety of factors such as Usual Sunday Attendance (USA), Average Sunday Attendance (ASA) and Electoral Roll. Some dioceses seek to exclude new members, or to smooth the membership numbers by averaging membership over a number of years. The wealth adjustment can use a variety of approaches (see Section C).

Typically each parish will be allocated a number of points, and the share allocation requested will be proportional to that parish's points divided by the total number of points in the diocese.

Strengths and Weaknesses

- Whilst the underlying principles are simple to communicate, the method of calculation can be complex as both "membership" and "wealth" can be a result of formulae.
- This type of system probably generates the largest amount of mutual support (parish share over and above their own ministry costs) as both large churches and those in wealthy areas are asked to give more to support smaller, poorer ones.
- One criticism levelled at this kind of system is that it may take little account of the largest parishes with low diocesan funded staffing levels who wish to supplement staffing with local employment. To mitigate this some dioceses' systems discount the number attending if it is very large. For example, Winchester only count 70% of the members between 200 and 300, 60% of the numbers between 300 and 400, and 50% thereafter. Manchester use a "Children and Young Peoples Subsidy" to reduce the number of contributory points for parishes with greater numbers of children and young people.

4. A Formula incorporating a number of elements

Five dioceses use a more formulaic approach that aims to take account of one or more elements, which may include Parish or investment Incomes, Attendance or Membership levels, and Ministry resource. Different diocesan formulae give varying weights to the measures they incorporate. Some make allowance for mission costs, insurance, fundraising expenses or multi-parish benefices.

Strengths and Weaknesses

- The formulae aim to even out the unfairness of any one element by combining all of the elements into one approach.
- This has a trade off in terms of complexity and many parishioners will not understand how the parish share has been calculated. This lack of perceived transparency can create issues of ownership at parish level.
- Some systems then add in a wealth factor onto one or more of the elements. Whilst this seeks to add further "fairness" it also adds further complexity.
- Using this method to allocate to deaneries create even greater complexity if the deanery uses another formula in its allocation of share amongst benefices or parishes. Consequently most dioceses using this approach allocate to parishes.

5. Dual system - direct allocation of ministry cost, shared diocesan overhead.

Three dioceses divide ministry costs are in line with the allocation of posts, and then allocate support costs and diocesan overheads according to some expression of membership or income.

Strengths and Weaknesses

- This approach is reasonably transparent – there is a clear rationale for both parts of the system.
- This system provides a moderate degree of mutual support in the element of allocation of shared/overhead costs, but the largest portion of share relates to the ministry cost element.
- By separating out the direct costs from the shared costs, there could be a risk of parishes being more willing to pay the former, direct costs of "their clergy", but be less willing to contribute the shared "overhead" costs.

B3 Changes to Parish Share Systems 2012 to 2015

Since the calculation of 2012 share, sixteen dioceses have changed their method of share allocation. This is an increase from the previous three years, where only four dioceses introduced a new system between 2009 and 2012, and also on the 2006 to 2009 period when eleven dioceses introduced a new system.

The increase in the number of dioceses changing share models is probably in part a reflection of the fact that it was difficult to introduce change amidst the most difficult part of the economic downturn. It may also reflect the rate of increases in share had slowed considerably and the introduction of a new share system provides a fresh opportunity to engage with parishes on the need to fund ministry costs.

What have they switched to?

- Seven have adopted offer systems. Four have moved from formula based systems, one from a potential based system, one from a cost based approach and one from a mixed system.

- Five have adopted cost based systems - two moving from a formula system, two from a potential based system and one adopting a different form of cost based system.
- Three have adopted Potential types of systems, although two had a different form of potential systems previously.
- One has introduced a new Formula, but had a Formula based approach previously.

In completing the review questionnaire, three dioceses stated that they were currently applying interim measures whilst a new share system was being reviewed or debated by Synod. This includes the new diocese of West Yorkshire and The Dales which represented three dioceses previously. This explains why some of the changes in the numbers using different forms of share system between 2012 and 2015 are greater than might otherwise be expected.

B4 Deanery or Parish Allocation

Each of these approaches can be allocated at either deanery or at parish/benefice level. Seven dioceses allocate to deaneries (or seek offers towards ministry cost from them), leaving it to the deanery to agree how this will be split between parishes. Whilst some dioceses who have reviewed their system have retained an allocation to deanery level, there are fewer dioceses allocating to deaneries now than in any of the previous reports (2006, 2009 or 2012).

The experience of many dioceses running a deanery scheme is that it can work far better than a diocesan wide approach in many deaneries – where there is strong unity and a desire to make it work, but in one or two deaneries it can break down and work far less well creating issues that can be hard for the diocesan team to resolve.

Strengths and Weaknesses

- In allocating to deaneries it may be easier to generate shared responsibility as those contributing more than their cost are seen to be supporting other churches locally.
- It may also achieve stronger local ownership for the allocation process as parishes together in their deaneries are responsible for deciding how they will share the contribution
- However, very similar parishes in different deaneries can have significantly different parish shares as a result of different deanery allocation processes.
- An appeals process, or the reviewing of special cases, can be more difficult where deaneries follow different methods of allocating between parishes than when there is a common diocesan wide approach.
- In some deaneries, the process breaks down, and an intervention process is needed if there isn't to be a significant shortfall in collection. Anecdotally this may occur when a deanery has a single larger church with a number of smaller ones, and the smaller ones outvote the larger one in suggesting that it should bear the lion's share of the contribution.

C Modifying to Account for Wealth

Many share systems include some element of wealth adjustment so that those who have more are asked to give more. This embodies within the parish share system one of the foundational principles of Christian giving. For dioceses operating an "offering" based approach, the wealth adjustment is not explicit as there is no formula – the amount offered is down to the parish. However, all will implicitly encourage parishes which are in richer areas or are financially blessed to support parishes in poorer areas.

For other types of share system, there are many different approaches to incorporating wealth factors:

➲ **Church family anonymous income survey**.
This is probably the most accurate evaluation of the wealth, and therefore the potential to give, that is present within a church. The survey is run every few years and asks individual church members to identify which of several income bands applies to them. The experience of those dioceses that have run these surveys is that individuals are sufficiently honest for the survey to give a reasonably accurate view of the potential of the church to contribute.

➲ **Index of Multiple Deprivation (IMD) Statistics**

➲ **Self-assessment**
This occurs either by a parish explicitly placing itself in one of a number of bands, or implicitly by inviting parishes to offer a greater amount than the cost of their ministry. This latter approach can either be part of the division of a deanery share, or as part of an offering based system.

➲ **Council tax banding of homes of Electoral Roll members**

➲ **External data such as Mosaic data from Experian.**

D Cash Flow and Discounts

Ten dioceses offer a discount system which rewards parishes for:
- payment by monthly direct debit (between 0.1% and 2%)
- bringing forward full payment into the first nine or ten months (0.4% to 3%)
- full cash payment by the end of January (1.2% to 1.5%)

The allocation systems used by dioceses offering discounts vary, but none of these dioceses use an offer system – it would be counter intuitive to provide a discount on offered gifts. Five use a cost-based system, four have a potential system and the tenth has a mixed system.

Three dioceses offer a discount system to deaneries to reward payment in full on a quarterly, six monthly or annual basis. This varies between 1.5% and 3% of share.

Oxford provide rebates of 1% to deaneries who achieve 20% of the share target by end March AND 50% by end June. A further 2% is given for 100% payment or commitment by end November. In 2014 £393K (2.1% of a total share of £18.4 million) was paid to 23 deaneries (out of 29) who achieved at least one of the targets. 16 received the full rebate.

Hereford's system provides a 2% rebate if a deanery has no arrears and pays each quarterly instalment in full. If a deanery has arrears but has a plan to pay such AND pays current quarter in full then it receives a 1% rebate, and if a deanery with historic arrears pays in full for 3 years the arrears are written off. This encourages deaneries to work support one another for the greater good.

Two diocesan schemes reward both parishes and deaneries, and the total possible rebate is either 4% or 5% of share.

Using data from the panel of dioceses sharing monthly receipts, it is possible to map monthly cash-flow across a wide range of dioceses. The table below shows the percentage of 2014 receipts that was received in each quarter and each half year (receipts up to the end of 2015 for 2014 share are included in Q4). It is clear that there is still some weighting in share receipts to the latter months, and this is more pronounced in the Northern Dioceses (Province of York) than in the Southern Dioceses (Province of Canterbury). The ten dioceses which offer a discount for regular or full payment of share do slightly better in eliciting an even inflow of cash – especially those who offer a discount for payment in full by the end of January who have a particularly strong start to the year.

2014	Total Panel	North	South	Discount
Q1	22.0%	20.5%	22.4%	24.8%
Q2	24.4%	23.7%	24.7%	24.6%
Q3	24.9%	25.2%	24.9%	23.7%
Q4	28.7%	30.5%	28.1%	26.9%
Jan-Jun	46.3%	44.3%	47.0%	49.4%
Jul-P13	53.7%	55.7%	53.0%	50.6%

It is difficult to comment on whether discounts improve the collection rate. Offer based systems don't use discounts, and have a higher collection rate overall (but see Section E for comments on this). Looking at the remaining 29 dioceses covered by the Parish Share Panel, there are examples of dioceses with 100% collection rates using and not using discounts; and of the lowest two collection rates across the country, one uses discounts and the other does not!

Strengths and Weaknesses of a discount system

- There is a cash-flow benefit for the diocese as shown above – those parishes that are able to, tend to take advantage of discounts (particularly in times of low deposit interest).
- Not all parishes are blessed with the same degree of reserves, and it is therefore very much easier for rich parishes to take advantage of discounts for early payment. Struggling parishes have a much harder task, potentially made harder by their being inflated to pay for the discounts received by others.
- Two dioceses operate the system at a deanery level, rather than at a parish level, and have found that it promotes mutual support, as there is a clear incentive for parishes to help one-another in order to achieve a wider benefit.
- If introducing a discount scheme, it is important to ensure that parishes do not hold back share in one year to build up reserves to take advantage of discounts the following year.

E Good Practice with Offer Systems

This section reports on some of the issues raised at a Workshop held after the October 2014 IDFF, when dioceses running or embarking on Offer Systems shared their different experiences. It's inclusion in this report is not a recommendation that this is a better share system than others, but simply records some of the key points arising from that discussion, and notes that over the past three years eight dioceses have adopted an offer type system, although one has moved away.

There are a number of strengths of Offer systems. In principle it moves from tax to joyful gift – perhaps more pragmatically, there is at least greater ownership by the PCC of the amount pledged as there is a greater sense of giving where a gift is determined and prayed through locally, compared with meeting a request that has been made from elsewhere. This greater ownership is reflected in the very much higher collection rate from dioceses with an offer system (99.5% in 2014 compared to an average for all dioceses of 94.5%).

The converse of the higher collection rate is the relative inability by the diocese to control the total amount pledged. Once the pledges are received, there is opportunity to follow up with some parishes to suggest that they may wish to revisit their offer, but too many rounds of follow up means that the amount pledged no longer has parish ownership and there is less commitment to meeting that pledge – the system becomes more to be perceived as a cost-based system than an offer system. To work well, the system requires Christian maturity and unity across the diocese, with parishes committed to making the system work and making realistic pledges.

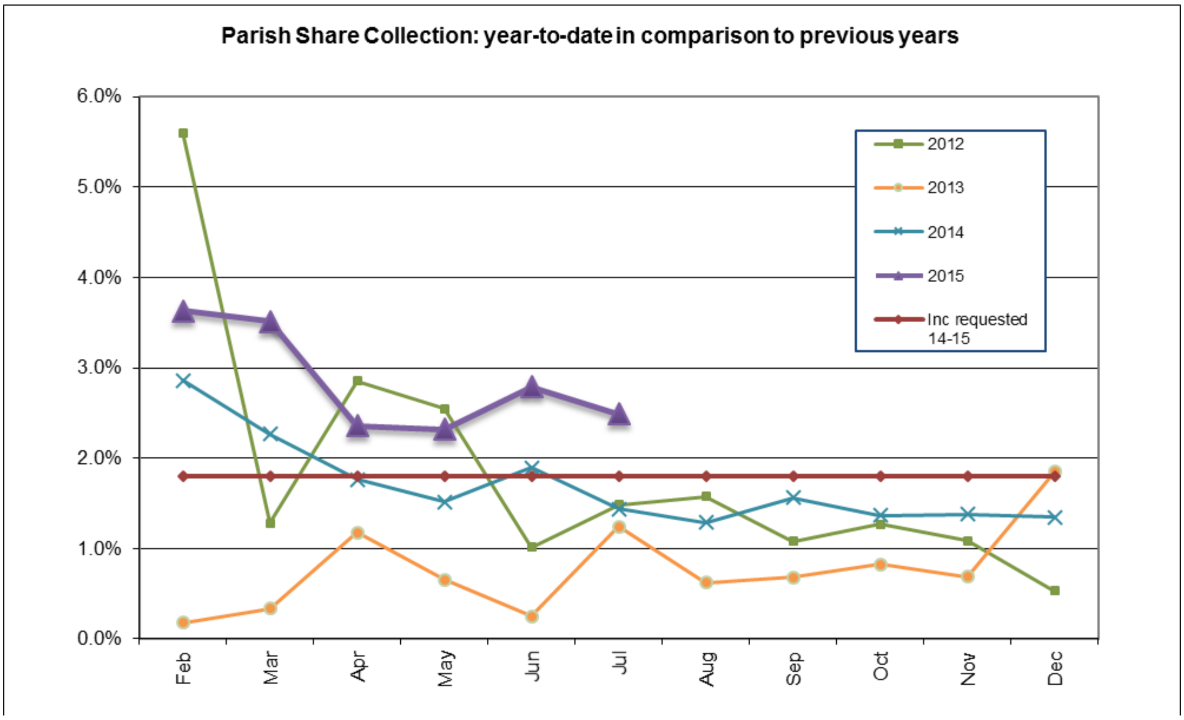
During the workshop, dioceses raised the challenge of setting appropriate timing for the receipt of offers for the following year. The later that it is left, the greater the clarity parishes will have about their finances during the following year. However, dioceses need some months to set and get approval for a Diocesan budget which requires knowledge of share offers. This also allows time to challenge those parishes whose offers may be unrealistic.

Dioceses also discussed the need for there to be some tangible impact of greater or lower offers on parish ministry, for parishes to have confidence that making the stretch to contribute more generously would lead to some impact other than a Diocesan surplus, and conversely not contributing generously would make a difference to the level of parish ministry that could be provided. If everything seemingly carries on regardless of the amount pledged, then it is hard to sustain the perception that generosity makes a difference.

F Collection Patterns

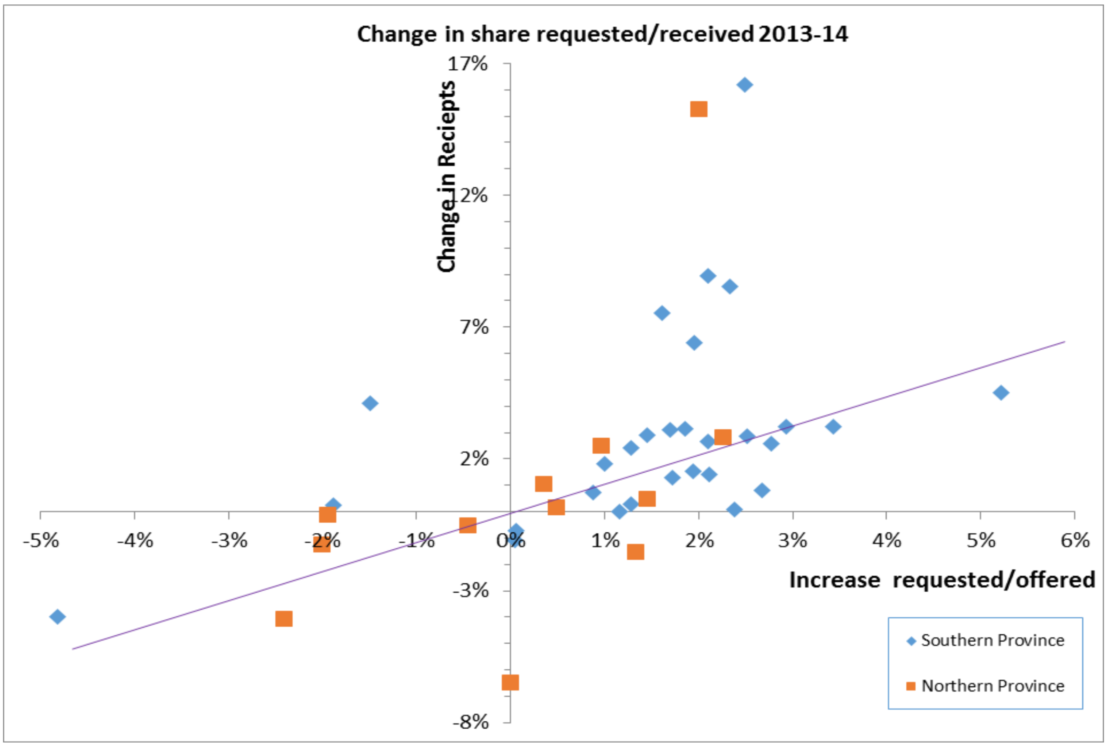
The chart on the top of the next page features in the regular monthly reporting of parish share receipts. It illustrates the "year to date" position for the current three previous years, updated month by month as the year progresses. It is interesting to observe the contrasting patterns.

In 2012 (green line), as had been the case with preceding years, the first half of the year was more positive than the second half, with early increases above the requested/offered level (which was lower than the red line showing the increase requested in 2014 and 2015). As the year progressed the increases tailed off to broadly match the increase requested.



2013 (yellow line) reversed this pattern with a low start but a very positive final period (including payments made after the year end). In 2014 the starting point was in-between these two patterns, with collection consistently around the increase requested/offered, meeting it exactly by the end of the year. The first seven months of 2015 have been ahead of the increase offered / requested.

However, this represents the overall pattern across the panel. There are always differences between dioceses within this, including some major fluctuations. The chart below plots each diocese in terms of the change requested or offered for 2014 compared with 2013 (horizontal axis) and the subsequent change in receipts (vertical axis).



Out of the forty one dioceses on the panel across both years, twenty two dioceses had receipts greater than that requested/offered (above the mauve line), and a further five dioceses had increases in receipts ahead of inflation, but not as great as that requested. Nine dioceses received less cash than the previous year (below the horizontal axis).

Analysis of the data makes it is clear that there is no inherent link between the type of system used and the ability to consistently manage receipts to meet planned expenditure. There is inherent variability in the system, and other factors that are at play.

G Communication

One of these factors is the level of Diocesan communication on share, which was explored in the 2012 report in some depth. An audit of a sample number of diocesan websites suggested that this section may be worth repeating. When explaining Parish Share there are a number of different audiences with different communication needs. The 2012 Report suggested that 5 pieces of communication would be useful:

G1 Detailed Background to the Share Methodology & Philosophy easily available on the Diocesan website.
It is probably a good thing that few people have interest in the details of a Parish Share system given there are so many other aspects to church life! But transparency is important when people want to know how it works. Alongside an explanation of how the parish share system works, it might be helpful to offer a perspective on why the diocese has chosen this particular method, which might include a theological rationale.

G2 A Summary to the Share System
It is more important to communicate the basics of the system, at least to clergy, treasurers and PCC members, and to have the detail available as back up. Most dioceses do a really good job on this when a new system has been introduced, but when new clergy come in to post from outside the diocese, a new treasurer is appointed, or new members come onto the PCC, how easy is it for them to understand this? Is there a pdf leaflet available that can be downloaded?

G3 Communication to Church Members
There are two areas to communicate to church members:

- the essence of diocesan identity – being part of something bigger, Parish Share, and the ecclesiological and theological underpinning.
- How money works across the diocese, and that parish share is largely used to pay for parochial ministry.

At its simplest, the key messages are "we're in this together, and the money goes to pay for ministry across the diocese". Dioceses have done this in different ways including leaflet, articles in a diocesan newspaper or by producing a video clip. Like many areas of communication, this isn't just a one-off, but needs to be repeated periodically.

G4 Thanking parishes for their contributions at the end of a year.
The General Synod report "Giving for Life" recommended that every parish thanks its givers annually, and uses this "thank you" to remind them of the difference that their giving makes. It is good practice for the diocese to thank parishes for their contribution. Different approaches are taken – some dioceses provide certificates for

display, some differentiate on the basis of how much was contributed (%) or how quickly it was paid.

G5 Providing feedback during the year on contributions, and working with parishes that are falling behind.

There is a wide variety of practice in this area. Most dioceses produce regular reports and circulate to senior staff. Some put updates on contributions on the Diocesan website (However – without some of the other pieces of communication outlined in this section, this can look like the diocese is only interested in getting the money in!). Some circulate to Area Deans, or to benefices. Getting the frequency right is important – too frequent, and it can feel oppressive. It's also important to get the tone right – that it's measuring our joint progress towards a common goal, rather than a policing exercise by a tax inspector.

It is important that those who are falling behind are followed up; not only for maximising contributions, but also to encourage those who are paying in full that it is important to try to do so.

APPENDIX ONE: Parish Share in relation to Parish Income

Diocese	Parish Share Requested per 'member' 2015 (£)	Rank	Parish Share Requested / Offered 2015 (£k)	Total PCC Unrestricted Income 2013 (£k)	Share as % PCC Unrest Income	Rank	Increase in Share Paid 2004-2013	Rank
Bath & Wells	£445	16	9,630	19,103	50.4%	14	25.8%	15
Birmingham	£476	12	6,130	14,660	41.8%	32	22.4%	20
Blackburn	£390	30	8,253	16,095	51.3%	11	10.2%	32
Bristol	£449	15	5,222	13,780	37.9%	38	4.1%	38
Canterbury	£514	4	7,614	13,752	55.4%	6	21.9%	23
Carlisle	£367	36	4,865	9,675	50.3%	15	22.8%	17
Chelmsford	£486	10	15,498	31,699	48.9%	19	21.9%	22
Chester	£424	21	11,583	23,687	48.9%	18	33.8%	7
Chichester	£416	25	14,328	29,331	48.8%	20	38.1%	5
Coventry	£414	26	5,002	10,608	47.2%	22	28.2%	11
Derby	£393	28	4,996	11,134	44.9%	30	1.2%	40
Durham	£319	39	4,831	10,494	46.0%	27	4.6%	37
Ely	£374	35	5,293	11,754	45.0%	29	20.6%	24
Exeter	£440	18	9,245	18,433	50.2%	16	19.7%	26
Gloucester	£385	31	6,137	13,801	44.5%	31	16.4%	27
Guildford	£494	7	10,665	25,867	41.2%	33	28.1%	12
Hereford	£431	19	4,182	8,060	51.9%	9	25.9%	14
Leicester	£401	27	4,840	10,251	47.2%	21	5.4%	36
Lichfield	£423	23	11,592	22,854	50.7%	13	16.1%	28
Lincoln	£317	40	4,504	11,990	37.6%	39	0.9%	41
Liverpool	£377	33	7,243	15,434	46.9%	23	33.1%	8
London	£428	20	22,746	87,838	25.9%	40	40.2%	3
Manchester	£375	34	8,635	17,449	49.5%	17	6.6%	35
Newcastle	£418	24	4,797	7,997	60.0%	3	22.8%	16
Norwich	£530	1	7,404	12,813	57.8%	5	3.7%	39
Oxford	£490	8	19,466	42,174	46.2%	26	27.1%	13
Peterborough	£526	2	7,076	11,864	59.6%	4	20.1%	25
Portsmouth	£423	22	4,742	10,256	46.2%	25	44.0%	1
Rochester	£450	14	9,038	23,086	39.1%	36	38.1%	4
St. Albans	£519	3	12,626	24,553	51.4%	10	36.8%	6
St. Eds. & Ips	£463	13	6,734	10,691	63.0%	2	31.4%	9
Salisbury	£393	29	9,787	21,337	45.9%	28	21.9%	21
Sheffield	£355	38	4,588	12,093	37.9%	37	10.2%	33
Sodor & Man							42.9%	2
Southwark	£514	5	16,895	42,436	39.8%	34	28.9%	10
Southwell & N	£502	6	6,487	12,741	50.9%	12	15.7%	29
Truro	£440	17	4,675	6,589	71.0%	1	12.5%	31
W Yorks & D	£482	11	15,216	28,781	52.9%	8	8.0%	29
Winchester	£357	37	9,221	23,166	39.8%	35	22.6%	19
Worcester	£489	9	5,481	10,107	54.2%	7	12.8%	30
York	£382	32	8,068	17,439	46.3%	24	22.8%	18
NATIONAL	£434		345,333	767,217	45.0%		22.0%	

Note:
Data is sourced from Parish Finance and Mission Returns for 2013, and from Parish Share requested communicated to the Parish Share Panel. 'Members' are calculated as a weighted average of Electoral Roll (1/3rd) and Average Sunday Adult Attendance (2/3^{rds}).

APPENDIX TWO: Parish Share Systems by Diocese

	Diocese	Summary of Approach
1	Bath & Wells	Church membership modified by parish assessed socio-economic category – choice of 1 of 7 bands + a special band. 30% differential between highest and lowest band.
2	Birmingham	CHANGED: Each parish is asked to aspire to fund their Ministry Cost, Parish Services Cost and Clergy Training Cost in order to be fully self-funding. However, recognising the different financial circumstances of each parish, the minimum request will be a percentage of the full costs - the Parish Percentage. For many parishes this will be less than 100%. Those that are more able to support other parishes will be asked for more than 100% to contribute a mission gift.
3	Blackburn	Each benefice pays direct cost of Ministry less assigned fees earned by their priest. Other costs allocated by Regular Weekly Attendance (RWA) over three years X Wealth factor based on IMD.
4	Bristol	Generous gift by parish but with the primary negotiation and coordination happening between deanery leadership teams and parishes in response to deanery targets.
5	Canterbury	Benefice pays direct ministry unit cost. Support costs allocated on AWA 100% with adjustment for index of multiple deprivation. CC grant has been removed over last 5 years and is awarded as direct mission or deprivation grant to parishes which engage in MAPPing. Buildings allowances and ER components being phased out over 3 years. Fee income now retained by DBF but additional grants given to parishes which have lost money.
6	Carlisle	Parishes (increasingly benefices) make offer towards the costs of local ministry. We encourage their offers to be both generous and realistic.
7	Chelmsford	The whole direct cost of ministry and its local support is allocated to deaneries plus a share, based on membership and deanery grade, of all indirect costs such as training, sector ministry, senior clergy and admin; ministry grants from income from the AC selective allocation and the stipends fund are then made to render the shares affordable against normal "fair shares" criteria. Relief is given whenever vacancies exceed a year.
8	Chester	Total Diocesan budget allocated to parishes according to number of clergy, adjusted by wealth factor.
9	Chichester	Costs including share of Diocesan costs and some income are allocated to Deaneries on the bases of Clergy Deployment, with potential for application for grants from Diocesan income.
10	Coventry	A deanery's Share is calculated as the 'cost of ministers' for the deanery (stipendiary, housing and training costs); less a credit for parochial fees; adjusted by agreed payments to, and from, the central Support Fund. This fund provides on-going assistance to deaneries that need it; and is financed by contributions received from all deaneries. Any surplus is used to help new initiatives for mission.
11	Derby	Common Fund is calculated using a flat rate percentage increases pending the introduction of a new system.
12	Durham	CHANGED: In 2013 the Diocese introduced an "offer" system, where parishes were invited to submit an offer for the following year's parish share. The change led to a reduction in total share offered for the 2014 pledges (the amount collected in 2014 was virtually identical to the 2013 figure as some post year end payments of 2013 share were included in the total), but the collection rate increased by ten percentage points to 100%. In practice, parishes generally made their pledges based on the share assessed under the previous system.

	Diocese	Summary of Approach
13	Ely	CHANGED: The full budget costs are allocated to Deaneries based on the number of clergy posts. Each Deanery receives support from Diocesan Investment Income allocated equally to each post. Curates are not included in the number of posts. Deaneries allocate to parishes using the formulas that they have agreed upon.
14	Europe	Common Fund is shared across 130 chaplaincies. The formula takes average income (less charitable giving) over the last 3 years and average electoral roll over the last 3 years. Common fund charged relates two thirds to income and one third to electoral roll. (c4% of total chaplaincy income as clergy paid locally).
15	Exeter	A parish's Common Fund assessment is based on the number of "participants" it has, modified by an assessment of deprivation levels in the local community, a Church Buildings' Allowance and an assessment of investment and other income. "Participants" excludes those new to faith in the first year. The scheme incorporates a phasing in of the effects of the changes based on a rolling three year average.
16	Gloucester	All deaneries are advised of the cost to the DBF of clergy within their area and asked to contribute against this. Those paying less than cost are identified as receiving mutual support, those paying more are donating mutual support. The net effect is a greater clarity and understanding both of cost and of the donation status of parish share.
17	Guildford	Direct cost of ministry allocated to benefice, Shared costs allocated on membership x relative prosperity according to Council Tax with a cap of parish share being no more than 70% of last reported expenditure, and then a cap on % increases, and floor no % decreases.
18	Hereford	Deanery allocation is based on the deanery cost of stipendiary ministry, housing and DAC quinquennial charges, plus overhead costs appertaining to Ministry at Diocesan and National level apportioned on the basis of the number of stipendiary clergy in a deanery plus the costs of Education and Administration apportioned on the basis of the usual Sunday Attendance for the Deanery (the Church Strength Factor). The Deanery allocation is offset by investment income and funding from the Archbishops' allocation.
19	Leicester	CHANGED: Every parish is asked to consider and decide its contribution to the diocese, based on relevant information and the principle of generous partnerships in the service of the mission of God throughout the diocese.
20	Lichfield	CHANGED: The new system (introduced Jan 2013) is based on Cost of Ministry, but includes Mutual Support between parishes based on Property Valuation categories, and also includes support for Urban Priority Parishes and Small Parishes.
21	Lincoln	Parish share is allocated using the following formula. Each benefice is allocated a band dependent upon the deprivation score of the combined parishes, band 1 is the least deprived, band 5 the most deprived, those in band 1 (27 benefices) will be asked to contribute approximately £35,000, those in band 5 (2 benefices) will be credited approximately £5000. Each benefice is given a population banding and a sum attached, smaller benefices contribute £2951, largest benefices £11,803. These two factors produce a gross share figure. This is then reduced by £1000 for each church building within the benefice to create a net share figure.
22	Liverpool	From 2016: Average Weekly Attendance for past 5 years modified by wealth factor, 0.5 to 1.5; maximum increase per parish = 3% above standard increase; no cash reduction for any parish year on year; minimum and maximum parish share applied.
23	London	Common Fund: Each parish is asked by the Diocese to 'offer' a contribution each year based upon the Parish Standard Cost, which includes Diocesan overheads.

	Diocese	Summary of Approach
24	Manchester	Attendance multiplied by average income of congregation, cap on movement of +/- 10%, banded subsidy for parishes with 10 or more children in regular attendance. From 2016, there will be an opportunity for parishes to have a meeting with representatives of the DBF to discuss circumstances where the parish is experiencing financial issues that would affect ability to pay the calculated amount and then seek to agree a 3 year parish share figure.
25	Newcastle	Formula within a 3 year budget cycle: 70% on parish income, 15% on attendance, 15% on clergy points.
26	Norwich	CHANGED: For benefices paying less than the cost of their mission and ministry, we took the largest amount a benefice had paid between 2009 and 2012 and capped the ask at an extra 15% per year until the benefice is meeting the actual cost for their community. For those benefices paying more than the cost of their mission and ministry we capped the request at the highest amount paid between 2009 and 2012, their request will not increase until the cost of mission and ministry reaches and exceeds the level they have been paying. The annual grant from the Church Commissioners is used to support the transitional process and offer additional support to those benefices struggling to meet the challenge.
27	Oxford	CHANGED: The revised scheme is based on Stipendiary and House for Duty ministry costs attributable to each deanery, and a contribution to National Church and other Diocesan support costs based on an assessed ability to contribute which is derived from the average Electoral Roll and October Sunday attendance numbers, multiplied by a community profile score calculated from Mosaic data provided for the public sector and mapped for each deanery. It continues to affirm an element of mutual support between deaneries.
28	Peterborough	Benefice shares with Membership 50% and Provided Ministry 50% as main drivers.
29	Portsmouth	CHANGED: The new arrangements will take a 10 year rolling attendance modified by household income data provided by Experian which is used to provide a ‘wealth factor’ at parish level on a scale of 3:1: wealthiest parish allocated 3 times the contribution per member what the poorest parish is allocated per member.
30	Rochester	CHANGED: From the beginning of 2015 we have changed to the ‘Diocesan Offer System’. For us it was a completely new approach. We have changed over 40 years of history in one go by not only allowing parishes to decide for themselves what they would be contributing, but also by including the full costs of parish clergy within the system. Previously the cost of clergy was treated separately from Parish Share and a direct charge to those parishes with a priest.
31	St. Albans	Each benefice pays direct cost of ministry (Stipend + NI + Pension offset by Investment Income and Fees). Ministry Support Contribution is allocated on basis of Membership and ‘Share Factor’ (wealth estimate). Since the last review parishes with curates no longer have to make a contribution to stipend costs, but make a contribution to housing costs based on the ‘wealth estimate’ of the parish - but this is within the overall framework of the scheme.
32	St.Eds. & Ipswich	CHANGED: The share each benefice is invited to contribute is calculated as the Cost of Stipendiary Ministry plus Cost of other Ministries plus Cost of church buildings plus Cost of mission and ministry of the wider church less a share of diocesan income to support local mission and ministry for each church and an additional contribution for each benefice based on the level of income deprivation. Where applicable transitional relief is provided.
33	Salisbury	Regular and active Church Membership and the church’s self-assessed relative ability to pay (selected from five categories).

	Diocese	Summary of Approach
34	Sheffield	CHANGED: Pledge system based on guided offering related to last year's parish share and looking at the cost of provided ministry, the allocation of Church commissioners' funds to the diocese for ministry and any shortfall or surplus. The allocation of Church Commissioners' funds is proportional to each parish's IMD ranking where those in the most deprived 50% nationally qualify and the amount is notionally distributed between them on a sliding scale.
35	Sodor & Man	CHANGED: The total income required to meet the expenditure covered by the Shared Ministry Fund (SMF) is divided by the number of parishes. Relief is available in the form of other DBF income i.e. bank/investment income, rental income etc. It is allocated to each parish based on ER 25%, ASA, 25% and Pop 50%.
36	Southwark	CHANGED: The Parish Support Fund is a generosity based pledge scheme. Parishes are invited to make an offer to support the shared responsibilities we have as a Diocese. Parishes are given an indication of their ministry costs and information on Diocesan finances and asked to make a pledge that is realistic, challenging and generous in their context. (introduced with 2015 offers for 2016 share)
37	Southwell & Nottingham	Deanery 60% ministry received cost, 40% attendance; adjusted by ability to give (data from Experian)
38	Truro	For 2015, Synod agreed to an increase of 28% across the board on the 2014 contributions sought from all parishes. A new system is under consideration.
39	West Yorkshire & the Dales	Existing share contributions are being adjusted by a flat rate whilst a new system is being determined for the new diocese.
40	Winchester	CHANGED: The 'worshipping community' figure for each parish is multiplied by its affluence band weighting (based on external data provided by Experian) – giving a number of 'units'. The Common Mission Fund target (total sum needed from Parish Share towards the 2015 budget) is divided by this aggregated number, giving a monetary value for each 'unit' = £U. The Parish Share for a given parish is their number of units x £U.
41	Worcester	Towards a Fairer Share is a new system, introduced for 2016 share. This is a 'potential' system based on an Incomes Survey of Church Members, so that each parish bears a share of the overall Share which relates to its wealth and size.
42	York	CHANGED: Parishes are invited to make a generous offer to the Common Fund of the diocese. Parishes are encouraged to consider what generous looks like in their local context and to facilitate mutual resourcing so that all in the diocese can benefit from ministry regardless of their local situation.