

PARISH SHARE – FREQUENTLY ASKED QUESTIONS

I. How is Parish Share worked out?

Parish Share is calculated on the basis of three pieces of information:

- (i) The Average Sunday Attendance figures over the last three years (2004 – 2006) as provided by the parish
- (ii) The socio economic conditions of the parish – a formula using government figures
- (iii) Whether the church is part of a local ecumenical partnership

(i) What is Average Sunday Attendance?

The Average Sunday Attendance figure tries to get a picture of the number of potential givers in the congregation. It is based on the past 3 years' Sunday congregation figures. This means it can pick up on whether congregations are growing, declining or remaining steady but by averaging it out over 3 years it smoothes out what would otherwise be sudden changes.

To try and get as realistic a picture as possible certain adjustments can be made to the raw figures. These adjustments include:

- ◆ Only people over the age of 16 are counted.
- ◆ Where someone attends more than one service per Sunday they are only counted once.
- ◆ Discounting monthly baptism services, where the size of the baptismal parties greatly distorts the overall congregation numbers – instead an average figure for the remainder of the month is recorded for those services
- ◆ Major civic services where the vast majority of those attending are not regular church members – these services are simply discounted

(ii) What is a socio economic factor and why do we have one?

Within the body of Christ it is right that people on higher incomes and with more resources should be expected to give more than those on lower incomes and fewer resources. St Paul teaches us in 2 Corinthians 8 that we give from what we have, not from what we don't have. The socio economic factor, therefore, aims to get a picture of the likely circumstances of the congregational members so that the giving challenge is weighted appropriately. The socio economic factor is based on the government's Indices of Deprivation. The Parish Share system assumes that a member of a congregation in the least deprived parish in the diocese should be able to contribute three times as much as a member of a congregation in the most deprived parish. Given that we have some of the most deprived parishes in the country – more so than any other diocese – this represents, we believe, a fair but tough challenge to every parish in the diocese.

(iii) What is an ecumenical factor and why do we have one?

There is an ecumenical factor which highlights those churches in local ecumenical partnerships (LEP) who will be expected to contribute to more than one parent denomination. The understanding is that the church should neither be favoured nor penalised for being an LEP so the 'Anglican' proportion of the LEP is assessed on the same basis as all other Anglican churches but, say, the 'Methodist' portion of the church would be assessed in the same way as other Methodist churches in the circuit. This ecumenical factor only affects a small minority of the churches.

There is more detail on how the calculation is actually made in Appendix I.

2. What does Parish Share pay for?

In the 2008 budget Parish Share contributes towards the direct costs of local ministry in parishes. In practice this means:

- ◆ Clergy stipends and National Insurance
- ◆ Clergy pensions
- ◆ Clergy housing
- ◆ Clergy training
- ◆ Reader training

However, because Parish Share does not currently cover all the direct costs of clergy and readers we use the money we receive from the national church and other DBF income to plug the gap between what the parishes contribute via Parish Share and the actual costs incurred. Parish Share is not about pouring money into an administrative black hole but rather a sharing of the direct costs of local ministry within the diocese.

3. Why in some churches is Parish Share higher than the clergy/reader costs in that church?

Parish Share is about spreading the costs of local ministry fairly and appropriately across the diocese. It is based on people's ability to give rather than the expenses they incur so some of the larger churches in less deprived parts of the diocese help support mission and ministry in more deprived parts. We call this mutual support. Sometimes there is a strong sense of mutual support within a deanery; more often in Parish Share terms it is about mutual support across deanery boundaries.

We don't have a formal policy within Parish Share of pairing up churches where one is the net financial giver and one is the net financial receiver. Although we know, for example, that North Meols deanery is a net giver of Parish Share (above and beyond the ministry costs in the deanery); we know that Liverpool North is a net receiver of Parish Share. However, we don't allocate Parish

Share from, say, a church in Southport to a church in Everton, rather we encourage individual churches to create their own relationships of mutual support and learning (as indeed they have in the case of Everton and Southport). Maybe this is a model for others to follow, especially where there is a concern about 'where is our Parish Share going?' Fundamentally we hope that widespread understanding of and commitment to mutual support across the diocese is enough to enable net givers to see the kinds of work that their Parish Share enables in some of the toughest places in Europe.

Nor is anyone complacent about assuming that net givers will continue to give without question. Mutual support poses real challenges both to the net givers and net receivers, so we now have a whole range of ideas and initiatives targeted at helping churches grow, to move on in mission and ministry, to find fresh impetus in their church life and, indeed, to take radical steps about the things that currently inhibit church health and move to a new and very different future. The current mutual support which underpins Parish Share is key to enabling these transitions and if we can collectively grow the number of givers across the diocese we will reduce the Parish Share burden on each.

4. How much Parish Share is spent on diocesan administration (St James' House etc.)?

None. In the 2008 budget all Parish Share is allocated directly to the local ministry costs, particularly clergy, described in question 2 above. The general work of the diocesan Board of Finance (DBF) is covered from its historic resources and other income. No part of Parish Share is used to subsidise the administrative work undertaken from St James' House.

5. Is any account taken of other PCC/DCC income or any financial reserves when calculating Parish Share?

No. The only factors taken into account are the congregational size, the socio economic context and whether the church is in a local ecumenical partnership. Individual churches are neither rewarded or penalised for having other income or high levels of reserves; it is completely outside of Parish Share calculations.

6. Is any account taken of other financial commitments a PCC/DCC may have when calculating Parish Share?

No. We recognise that all PCCs/DCCs will have particular financial commitments at certain points. Some of these are on-going (e.g. church school, lay staff, mission support, the particular costs associated with having a listed building); others may be one-off (e.g. church roof, re-ordering). To develop a system that can cover all these eventualities would be very complex and extremely expensive to administer and would also lack transparency and therefore lack general confidence. As

a result we would all be bogged down in on-going arguments about local special cases. The aim of the current system is to be simple, transparent and fair.

7. How much Parish Share is spent of supporting the ministry of our bishops?

None. The stipend, pension, housing and office costs of the Bishop of Liverpool are met in full by the Church Commissioners. The stipend, pension and office costs of the Bishop of Warrington are met in full by the Church Commissioners; the housing costs of the Bishop of Warrington are covered by the DBF, but not using Parish Share.

8. Does our Parish Share go down when we have a vacancy or if we are affected by pastoral re-organisation?

No. Parish Share doesn't take any account of the number of clergy in a particular parish. Rather, it recognises that every parish is covered by an Anglican priest and the purpose of Parish Share is to contribute towards the cost of that provision fairly and equitably across the diocese.

9. Our congregation is made up primarily of elderly people on fixed incomes. Does Parish Share take account of this?

Not fully, for 3 main reasons:

- (i) The only way of getting Parish Share to reflect accurately the individual financial circumstances of each church member is to do fairly detailed and fairly regular income surveys of individual church members. This is cumbersome, intrusive and evangelistically potentially disastrous.
- (ii) Many if not most churches in the diocese would say that their congregation is made up primarily of elderly people on fixed incomes, so in that sense each parish is facing pretty much the same issue. Also, non-elderly members of congregations face other financial challenges – people out of work, people on lower incomes and/or income support benefit, the cost of bringing up families and such like.
- (iii) That said, there is an income component within the Indices of Deprivation which picks up the proportion of people claiming state benefit. This does go some way to identifying elderly people on lower incomes and then feeds into the socio-economic factor.

10. Why is the Parish Share increase for 2008 once again above inflation?

As mentioned above Parish Share contributes to the cost of clergy stipends, pension, housing and training. Over the past few years increases in clergy costs have been significantly higher than inflation. This is largely because of pension commitments which the DBF feel are absolutely right and just. Indeed, the Diocesan Review anticipated that in the period 2002 – 2007 the DBF budgets would

plan for clergy costs to rise at 3% a year, itself an above-inflationary increase. In fact they have risen by over £600,000 more than that as a result of increases in clergy pension contributions and a step increase in stipend levels.

The DBF have supported these increases. However, it has added to the financial challenge for the DBF. Without these increases the DBF budget would be in surplus by now and Parish Share increases would be at or about inflation. The current levels of increase are seeking to help reclaim a proportion of the £600,000 increase, but by no means all, as well as recognising on-going costs of living increases for clergy.

11. Is Parish Share a tax on growth?

Yes and no. On the one hand because Parish Share tracks church attendance it will increase by more than the diocesan average in those churches where church attendance is also increasing, or where attendance is declining at a lower rate than the diocesan average. On the other hand, in practice it takes 5 years for any new church member to be fully counted for Parish Share purposes. What this means is that new people have time to come to faith and be nurtured in their understanding of stewardship and the financial responsibilities of church membership. Also, Parish Share for most churches in the diocese represents under half their total expenditure so it is not as if every last penny of every church member's giving is swallowed up in Parish Share payments.

12. What about church plants and fresh expressions of church – do they pay Parish Share?

Yes and no. There is a system in place for church plants which means that for the first 3 years, while they are being established, they do not pay Parish Share. From year 4 onwards we begin to make an assessment on the normal Parish Share basis except that in year 4 we only count one year's congregation, in year 5 we count two and then from year 6 we count 3.

However, we also recognise that the current mission context and the responses to it are getting more and more complex and multi-faceted. Definitions of church and church membership are changing. Some church plants or meetings which may be construed as fresh expressions already pay Parish Share; others may not. There is a working group currently looking at how we appropriately bring fresh expressions of church under the Parish Share umbrella, not to increase the overall take but to spread it out across the growing body of believers.

13. Is Parish Share higher or lower than in other dioceses?

It is lower. According to national church figures the level of Parish Share per Sunday attender in the Diocese of Liverpool is the lowest of any of the 43 dioceses in the country. This is only right as we

have the highest levels of deprivation of any diocese in the country. However, it also demonstrates the DBF's determination to keep Parish Share as low as possible so as to put as much money as possible at the disposal of PCCs and DCCs.

14. What happens if we don't pay Parish Share?

If parishes chose not to pay Parish Share then we all have problems. In practice it means either we have to ask the parishes that do pay to pay more than their fair share (a kind of Parish Share surcharge) or we have to make cuts to the diocesan budget which would directly affect mission and ministry. Neither option is attractive. Fortunately, however, the Parish Share collection rate in the Diocese of Liverpool is extremely high (nearly 99% in 2006) and rising. This is a great tribute to PCCs and DCCs throughout the diocese. However, we do budget for 100% collection so any shortfall must be met from DBF reserves or elsewhere. We must not be complacent; if we are then pretty quickly mission and ministry will suffer all across the diocese.

APPENDIX I – HOW YOUR PARISH SHARE IS CALCULATED

There is a 2-stage process to calculating Parish Share:

Stage 1

Each parish is given a parish score calculated as follows:

Average Sunday Attendance x parish socio economic factor x parish ecumenical factor

(The ecumenical factor in nearly all cases is 1.00. For local ecumenical partnerships, however, it can be less than this to take account of the fact that the parish will be paying more than one denominational assessment.)

Stage 2

The parish score is divided by the sum of all the parish scores and then multiplied by the total Parish Share figure for the diocese.

St Vincent's

This is based on an actual Parish Share assessment in 2007. The church has been renamed St Vincent's.

St Vincent's have an Average Sunday Attendance of 106. They are in one of the least deprived parts of the diocese so have a socio economic factor of 1.40. They, like most parishes, have an ecumenical factor of 1.00

So, St Vincent's parish score is:

(a) 106 (average attendance) \times 1.40 (SEF) \times 1.00 (ecumenical factor) = 148.4

(b) The sum of all the parish scores across the diocese in 2007 = $21,770.86$

(c) Total diocesan Parish Share in 2007 = $\pounds 5,960,000$

So the Parish Share calculation for St Vincent's is:

$$\frac{148.4 \text{ (a)} \times 5,960,000 \text{ (c)}}{21,770.86 \text{ (b)}} = 40,626$$

Therefore, St Vincent's Parish Share for 2007 is $\pounds 40,626$