
DIOCESE OF LIVERPOOL



KEY INDICATORS REPORT – 2007

INTRODUCTION

In February 2005 General Synod approved a report by a working group looking into how we can:

'Identify ways in which greater mutual accountability, transparency and the communication of good practice can be secured among the different parts of the Church of England through the sharing of more information about the application of financial resources to meet needs and opportunities and further the mission of the church'.

The working group, among other things, recommended that each diocese produce a report which tracked progress against a number of key indicators. The purpose would be to detect trends in the life of the church in the diocese to aid discussion about issues, challenges and the deployment of resources, as well as giving account to the wider church.

The report is a combination of statistical data and narrative. Statistics are not always available for the same period and it is not always easy to compare like with like. The main challenge is to try and detect trends in key areas of mission and ministry rather than focus on an individual statistic in an individual year.

This is the key indicator report for the Diocese of Liverpool for 2007. It builds on the reports in 2005 and 2006. The data was correct as at December 2007. The report will be updated again in December 2008.

I. THE SOCIO-ECONOMIC MAKE-UP OF THE DIOCESE

The Diocese of Liverpool is densely populated. Indeed, it has one of the highest population densities (5th highest) of any diocese. This is because we have a large residential population of 1.53 million people (the 9th largest in the country) spread over a small geographical area (just 389 square miles, the 4th smallest in the country).

We have a relatively small number of parishes (208) and low number of churches (258).

Because of the small number of parishes we have one of the highest ratios of stipendiary clergy per parish, although for the first time the ratio is now – just – under 1 clergyperson per parish (0.97 stipendiary clergy per parish). This is still the 3rd highest in the country. The national average is 0.6 clergy per parish. However, because the population is so dense we have big parishes and therefore one of the lowest ratios of stipendiary clergy per 1,000 population. We have 0.13 clergy to every 1,000 people – the 9th lowest – compared with a national average of 0.16.

Indices of Deprivation

The diocese is predominantly urban and contains some of the most deprived communities in England and Wales according to the 2004 Indices of Multiple Deprivation (IMD). We have 208 parishes which

equals 1.6% of the total number in England. A national average would suggest the following:

- ♦ That we should have **21** parishes in the upper 10% IMD - in fact we have **63**
- ♦ That we should have **11** parishes in the upper 5% IMD - in fact we have **51**
- ♦ That we should have **4** parishes in the upper 1% IMD - in fact we have **15**

Average income levels in the diocese

On the basis of the Inland Revenue data supplied to Archbishop's Council diocesan average incomes are as follows:

	L'pool	Nat. av.	Position
2001/2002	£18,154	£21,788	8 th lowest
2002/2003	£18,989	£22,007	14 th lowest
2003/2004	£18,731	£22,379	7 th lowest

The highest diocesan average income was £33,083; the lowest was £17,876.

'Sheffield' formula). The figures include the non parochial stipendiary clergy indicated in table 2.

According to the latest forecasts on stipendiary clergy the Diocese of Liverpool will remain at or around our national allocation until 2008, when we have our diocesan target number of 209 parish-based clergy and 215 in all. Beyond 2008 our plan is to maintain a stipends budget which covers the cost of 209 parish-based clergy.

However, Ministry Division in Archbishop's Council tells us that our allocation of clergy will fall significantly below this level in the coming years. By 2016 it is likely that our national allocation will be around 170 – 180 clergy. Our policy is not to take more clergy than our national allocation. This creates a major challenge but also the opportunity of using 35-45 stipends in new ways.

It also reflects the major fall in stipendiary clergy numbers over the past couple of decades. In 1990 there were 10,480 stipendiary clergy across the country; there were 7,001 in 2006. In 1990 there were 282 ordained into the stipendiary ministry; in 2006 there were 128.

Since 2001 we have had a deliberate policy of maintaining as few non-parochial clergy posts as possible (see table 2). Our archdeacons are parish priests; the Bishop of Liverpool no longer has a chaplain.

In 2005, in line with *Mission-Shaped Church*, we also appointed our first Associate Minister paid from the diocesan Mission Opportunities Fund. There were a further two appointments in 2006, but none in 2007.

2. THE BASIC MINISTRY RESOURCE

Clergy numbers as against clergy share

Table 1 shows the numbers of clergy in parochial posts as against the national allocation (the so-called

TABLE 1 - CLERGY NUMBERS AS AGAINST CLERGY SHARE

	Clergy in post	National allocation	No. women	% women	% women national average
2000	253	245	39	14%	12%
2001	246	243	36	15%	13%
2002	232	235	34	15%	14%
2003	225	231	36	16%	15%
2004	224	224	41	18%	16%
2005	217	221	43	20%	17%
2006	215	215	47	22%	18%

TABLE 2 - NUMBERS OF NON PAROCHIAL STIPENDIARY CLERGY

	TOTAL	Paid from DBF stipends	Paid by Church Comms	Paid from MOF
2000	13	8	5	0
2001	11	6	5	0
2002	8	3	5	0
2003	7	2	5	0
2004	7	2	5	0
2005	7.3	2	5	0.3
2006	8.9	2	5	1.9

The following is a list of the non-parochial stipendiary clergy as from 2000:

Bishop of Liverpool *

Bishop of Warrington *

Archdeacon of Liverpool (until 2002, since which time he has been parish based)

Archdeacon of Warrington (until 2001, since which time he has been parish based)

The Dean *

Two Cathedral canons * (plus a diocesan Canon in 2000)

Two full-time equivalent university chaplains (Liverpool University and Liverpool John Moores University)

Diocesan Director of Education (until 2001)

Bishop's Chaplain (until 2001)

* = paid for by the Church Commissioners

We believe that the situation will develop in 2008 with the introduction of the Dioceses, Pastoral & Mission Measure (including the Bishop's Mission Order) and the completion of the first Mission-Shaped Ministry Course. We are in the process of planting a new church in the centre of Liverpool, largely financed with money raised from outside the diocese.

In 2005 we appointed our first House for Duty posts. One was appointed to a parish church; another as in effect a team vicar and a third to a team ministry to develop fresh expressions of church. We appointed a 4th House for Duty post in late 2007 and will be advertising for a 5th in early 2008.

Numbers of NSMs and OLMs and their percentage against stipendiary clergy

	NSMs	%	OLMs	%
2000	24	10%	13	5%
2001	18	7%	19	8%
2002	20	9%	21	9%
2003	23	10%	25	11%
2004	26	12%	22	10%
2005	23	11%	26	12%
2006	26	12%	25	12%

Numbers of Readers and their percentage against stipendiary clergy

	Number	%
2003	284	126%
2004	279	124%
2005	272	125%
2006	290	134%

In 2005, we had the third highest number of Readers in training of any diocese in the country. We also have two stipendiary Readers in Charge of churches both under the supervision of the Incumbent of a neighbouring church.

Numbers of retired clergy and their percentage against stipendiary clergy

	Number	%
2001	90	36%
2002	102	44%
2003	93	41%
2004	95	42%
2005	108	50%
2006	120	56%

It has been difficult to obtain exact and consistent numbers for retired clergy with Permission to Officiate in the diocese, so the above needs to be treated with a bit of caution. In 2005 Bishops James called together a working group to look at how we can ensure that clergy retire well in the Diocese of Liverpool. This involves both pre-retirement support and ensuring that clergy have an appropriate and fulfilling ministry into their retirement. Retired clergy exercise an extremely important ministry in our diocese.

Numbers of Church House staff

Between 2000 and 2003 we reduced Parish Share-related staff costs in Church House by well over £100,000 a year. Since then we have taken a stringent approach to new appointments. Most new posts have been financed from external income (although in 2005 we also brought in house two posts that were previously contracted out, each bringing a net saving to the DBF).

However, the changing external climate does occasionally require us to take on significant new respon-

sibilities. In 2006 we made our first inter-diocesan appointments covering the dioceses of Liverpool, Chester and Manchester. The costs of these posts will be split across the three dioceses and have enabled us jointly to appoint an HR Officer for the DBF and parishes (a new post) and an inter-diocesan Child Protection Adviser (broadening the scope of the previous diocesan adviser). Table 3 summarises the position.

In 2007 we moved from Church House to St James' House on the Cathedral campus where we have co-located with the Cathedral's administrative staff. We are confident that this will enable us further to drive down staff costs by sharing resources and providing services to each other under contract.

3. THE FINANCIAL HEALTH OF THE DIOCESE

Levels of useable free reserve held by the DBF

2001	4.4 months
2002	4.0 months
2003	6.1 months
2004	5.2 months
2005	4.8 months
2006	4.9 months

The diocesan policy is to maintain at least 3 months' operating expenditure in cash and equities in the General Fund. This excludes all designated funds, loans and loan guarantees. This is our definition of useable free reserves.

TABLE 3 - NUMBERS OF CHURCH HOUSE STAFF

	TOTAL	<i>Financed from DBF investments</i>		<i>Financed from grants/earned income</i>	
		<i>Full-time</i>	<i>Part-time</i>	<i>Full-time</i>	<i>Part-time</i>
2000	45	22	21	1	
2001	41	22	18	1	
2002	37	21	14	2	
2003	37	21	12	1	3
2004	43	20	14	5	4
2005	49	23	14	7	5
2006	48	21	15	7	5

In 2003 we agreed with the Charity Commission a major re-structuring of DBF Funds which had the effect of moving c. £1.5 million out of permanent endowment into the general fund. This had a highly beneficial impact on our reserves in 2003. In 2004 Diocesan Synod agreed to set up a Mission Opportunities Fund of £500,000 from this transfer of endowment in line with the recommendations in *Mission-Shaped Church*.

From 2004 onwards the reserves figure excludes the £500,000 capital allocation, hence the sharp fall in reserve levels in 2004.

The DBF aims to break even on a revenue basis by 2011. We are forecast to have at least 4 months' useable free reserves at that point. We will then, we hope, be in a position to capitalise some of our annual investment gains and apply them to the Mission Opportunities Fund.

The levels of Parish Share asked for as a proportion of DBF unrestricted income

2000	61%
2001	64%
2002	66%
2003	66%
2004	67%
2005	70%
2006	69%

Parish Share is used to meet the cost of mission and ministry locally (clergy stipends, pensions, , housing and training). Direct ministry costs in 2008 are budgeted at £7.5 million; Parish Share in 2008 is £6.2 million. This shows the extent on our continued reliance on the investment by the national church of Church Commissioners' non pensions money into the most deprived parts of the diocese. Our continued partnership and engagement with the Church Commissioners is welcome and necessary.

The collection rate of Parish Share

	<i>By year end</i>	<i>6 months later</i>
2000	96.4%	n/a
2001	95.3%	98.3%

2002	95.8%	98.3%
2003	95.7%	97.2%
2004	96.9%	98.1%
2005	97.4%	98.3%
2006	97.4%	98.8%

In 2003 Diocesan Synod agreed to introduce a new Parish Share system. It retained the core elements of the previous quota by potential system, namely an assessment based on the worshipping congregation and their socio-economic circumstances. However, it did place an increased burden on parishes in higher income areas. The fact that collection rates have remained steady, and in 2006 grew, is a tribute to the commitment to mutual support of parishes in the diocese.

Since 2002 we also used some of the Parish Mission Support money given by the Church Commissioners to appoint a part-time officer to help parishes in particular financial difficulties. We believe that this work has been central to the improvement in the Parish Share collection rate.

Significant assets that do not appear in the accounts

In 2005 the capital value of parsonages was formally reflected on the DBF balance sheet. Our accounts reflect the totality of the assets deemed to be under the direct control of the DBF.

There are associated relatively nominal income streams which while not under the control of the DBF do play a part in the mainstream life of the diocese. These are:

- ♦ An annual grant from the Ecclesiastical Insurance Group (via the Allchurches Trust). In 2006 this was c. £95,000. £45,000 was given to the DBF to help offset costs which had previously transferred from the bishop's Discretionary Funds onto the DBF budget; £20,000 was spent via the Designated Priority Area Strategy; £20,000 was used to pump prime new initiatives within the diocese and £10,000 was allocated to assist the bishops in their ministries.

- ◆ There are several historic trusts, which are now administered as one, which can provide help to clergy in particular financial or pastoral need. The annual income generated by these trusts, alongside some regular annual contributions from national clergy-related trusts, is c. £20,000.
- ◆ There is a small fund to help retired clergy living in the Diocese of Liverpool. This has an annual income of c. £15,000 a year and support is given for pre-retirement courses, book and training grants and the costs of one-off household items for people in particular need.

The level of stipend paid as against the Regional Stipend Benchmark

We pay the Regional Stipend Benchmark (£20,240 from April 2007) to ensure that we conform to national church policy on such matters. We have implemented Aspiration 2 of *Generosity and Sacrifice* in full.

Most recent diocesan-wide stewardship initiative

In 2005 we launched Giving in Grace. This groundbreaking initiative is a web-based tool which brings together discipleship and stewardship principles alongside more general fundraising thinking to create a very powerful tool for Christian giving. By the end of 2007 55% of parishes will have undertaken a Giving in Grace programme. The average increase in total individual giving tends to be 25% per parish.

4. THE NUMBERS INVOLVED IN PARISH LIFE AND THE GIVING LEVELS

The following church attendance figures are drawn from the information collected each year by Archbishop's Council. They centre on attendance at church services. These are simply one measure of a church's size and health. No doubt they underplay the numbers of people involved in the worshipping life of the church (e.g. through small groups associ-

ated with the church); they certainly underplay the reach of many churches into their communities. However, they do give a helpful snapshot of the numbers of people regularly attending worship services.

There are many instances of churches across the diocese where an average attendance of under 50 people on a Sunday does not reflect that fact that well over 10 times that number will pass through church-based and church-run activities during the week. However, we do not as yet have a straightforward way of getting consistent information to track this and so are unable to report on it other than anecdotally.

Similarly, as things change and develop through new forms and fresh expressions of church we will need to find ways of capturing that kind of data.

Adult average weekly attendance

	Number	% change
2001	26,900	
2002	24,400	-9%
2003	25,500	+4%
2004	24,600	-3%
2005	23,500	-4%

The national average was no change in church attendance so we are behind the national trend. The Diocesan Review has an aspiration to see a 25% increase in Usual Sunday Attendance in 10% of our churches by the end of 2006. In pursuit of this we established the School of Leadership in 2003 as a 3-year programme geared around church growth. This is now run annually and there are currently c. 50 churches involved. The impact of the programme was being evaluated again at the end of 2007. Beyond this the aspirations in Responding to the Call remain serious and strategically significant.

Child average weekly attendance

	Number	%change
2001	7,600	
2002	7,000	-8%
2003	6,700	-4%
2004	7,200	+8%
2005	6,700	-7%

The 'welcome and integration of children and their families in the worshipping life of parishes' was a key-note recommendation in the Diocesan Review. The Child Friendly Church Award is our main response to this aspiration. It is a light touch scheme encompassing the 0 – 16 years age range. It was launched in 2005. The award has quickly established itself as a valuable tool in the diocese. By the end of 2007 30 churches had the award.

Number of children attending church schools

2001	30,051
2002	30,491
2003	29,962
2004	29,678
2005	28,444
2006	30,105

All 8 Local Authority areas covered by the diocese are experiencing a fall in the birth rate. This affects pupil numbers in most areas at primary school level and is beginning to affect secondary school numbers in some areas.

The past 4 years has seen a transformation in our work with church schools. We now have service level agreements in place with 104 schools, have seen the first new build Church of England Primary School for more than a decade and the opening of the Academy of St Francis of Assisi in autumn 2005. We have established an education company in conjunction with the other North West dioceses to enable us further to develop the service we provide to schools on capital development and curriculum matters.

We are in the early stages of development of a new academy at Newton-le-Willows, in partnership with the Catholic Archdiocese and Liverpool Hope University. We are also engaged in projects to re-build a school in Warrington and to build new primary schools in the Seaforth area of Sefton and the Walton area of Liverpool.

We will look to enhance this work through the development of a Church/Church School Award which, modelled on the Child Friendly Church Award, will

identify and recognise the characteristics of a good relationship between a church and its school.

Total individual giving and giving as a percentage of average income

The following is the total for tax-efficient planned giving (excluding tax) and the average percentage from regular givers of their estimated net income:

2001	£3.43 million	n/a
2002	£3.73 million	n/a
2003	£3.83 million	3.4%
2004	£4.00 million	3.4%
2005	£4.21 million	3.1% *

* This decrease is due to changes in the way that the Inland Revenue calculates average incomes in the diocese rather than an actual fall in giving levels.

In 2005 the percentage giving in the Diocese of Liverpool was the 9th highest (6th highest in 2003) of any diocese in the country. On average regular givers in the diocese gave £7.69 a week to their local church.

From 2006 we are tracking the following indicators on individual giving. The above information on individual giving is taken from the national church; the following information is from diocesan information:

Unrestricted reserves levels in parishes

2006	£6.96 million
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Regular direct giving income as a percentage of Parish Share assessment

2006	137%
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Total number of planned givers

2006	16,188
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Total amount given through planned giving

2006	£5.67 million
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Total number of legacies received

2006	96
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Total amount received from legacies

2006	£1.15 million
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**Charitable giving as a percentage of PCC regular
income**

2006 7.3%