

10 Dividing It Among Your Parishes



Now the diocese only allocates the total for each benefice, the deanery gives an indication of a possible division per parish for your reference (based on the ratio you used the previous year), but it's up to the Treasurers of each parish to liaise and divide up their benefice total between themselves each year, as only they have the knowledge of the relative circumstances of their parishes that year.

You need to advise your decision to the Deanery Parish Share Officer by the end of September so the diocese can agree the budget for the next year at its Synod meeting in October. If you haven't advised the Parish Share Officer by that date, the diocese can only assume you intend to pay your allocation in full, and the Archdeacon may ask you to explain why you need to vary it if you ask to do so later.

The deanery is required to collect the total amount allocated to it, so it has to get its other benefices to make up any shortfall in a spirit of Christian love and care if one benefice is unable to pay its allocation in full due to exceptional or unforeseen circumstances.

11 Calculator

A calculator (using Microsoft Excel) is included on the deanery website to enable each benefice to calculate its Parish Share. Go to <http://www.severnvaldeanery.co.uk/synod.html> and scroll down to 'Deanery Resources' and click on the Calculator file.

Enter the name of your benefice at the top exactly as shown in the grey table and the result will be displayed automatically on the 'Summary Tab'. Click on the 'Detail' tab at the bottom of the spreadsheet if you want to view the calculation in full.

12 Growing Our Income

We need to attract newcomers just to stand still (in order to replace those who've moved or died), but also to comply with Jesus' command "Go and make disciples of all the nations" (Mat 28:19). Attracting newcomers also has the potential advantage of helping us to grow our income.



Ideas for doing that are given in the booklet "Being Church in Every Parish", also on the deanery website under "Deanery Resources".



Parish Share



Explained

Severn Vale Deanery

CONTENTS

Contents	1
1 Origins.....	2
2 The Quota.....	3
3 Parish Share and Mutual Support.....	4
4 Five Year Plan: 2011-2015	4
5 Five Year Plan: 2016-2020.....	5
6 Allocated Cost: 2015	5
7 Mediation	6
8 Benefice Examples for 2016	6
9 Stipend Fund	6
10 Dividing It Among Your Parishes	7
11 Calculator.....	7
12 Growing Our Income	7

7 Mediation



The 'Base Allocation' is capped at Inflation + 4% to give an 'Allocated Cost' using the highest of:

- If current payment is greater than new payment:
 - Keep the current payment until equal to the new
- If new payment is greater than Inflation + 4%
 - Only pay Inflation + 4%
- If new payment is less than Inflation + 4%:
 - Pay new payment in full.

8 Benefice Examples for 2016:

	W of Severn	St Andrews
Stipends/NIC/Pensions	37,462	74,924
Grants/On-Costs	3,719	7,439
Housing	8,463	16,926
Vacancy Savings	(3,190)	(6,381)
Training	3,653	3,653
Curates Share	10,024	10,024
Curates Adjustment	(0)	(50,108)
Diocesan Costs	2,572	2,700
National Costs	<u>4,675</u>	<u>4,909</u>
Total	<u>67,378</u>	<u>71,393</u>
½ Total	33,689	35,697
½ Total adjusted by attendance (100, 338)	<u>28,891</u>	<u>101,119</u>
Base Allocation	<u>62,580</u>	<u>136,816</u>
Less 'Cap'	<u>18,100</u>	<u>70,216</u>
Allocated Cost	<u>44,480</u>	<u>66,600</u>

9 Stipend Fund

The diocese has a 'Stipend Fund' created from past legacies and investments, with an income around £800,000 per year used to subsidise Parish Share. Over the last 5 Year Plan it was allocated as an equal amount to every benefice.

For 2015/16 this equal allocation will continue but, in the spirit of 'Proportional Share', in future years that fund will be allocated in proportion to each benefice's need and potential for growth.

Under the old 5 Year Plan, the amount allocated in each of the 5 years was set in advance. Under the new Plan, the amount may vary each year dependent on the total number of priests in the diocese, the actual rate of inflation and your subsidy from the Stipend Fund.

5 Five Year Plan: 2016-2020



That first plan was easy to calculate but still wasn't fair as every benefice paid an equal amount per priest but... it didn't take into account your size and ability to pay so, for the same number of priests, a small benefice with a predominance of elderly persons on a pension was asked to pay more per head than a large one with many wage-earners.

The latest 5 Year Plan is designed to produce a figure closer to the same amount per head, but calculating it is much more complex as it's not based on a simple 'Equal Share' but on a 'Proportional Share' of the total ministry costs. As the new plan was prepared in 2015, so the new base cost is from that year, but to distinguish it from the previous Plan the new base is called the 'Base Allocation'.

6 Base Allocation: 2015

The total ministry cost is now divided into 9 categories, each calculated separately for each Benefice in proportion to your use compared to the diocesan total, ie:



$$\frac{\text{Your No. of Priests + Curates + HfDs + SSMS}}{\text{Total No. of Priests + Curates + HfDs + SSMS}} \times \text{Diocesan total for that category}$$

Having calculated each category in proportion to your use, then.....

- Half your total is allocated directly
- Half adjusted by your average attendance over 3 years
- The result is mediated by a cap (inflation + 4%)
- Total (currently) inflated by 1.5% p/a as a guide for future years.

Notes:

- i) For national and diocesan costs, the ratio is 'weighted' by multiplying the factors by: Full-time 100%, House for Duty 33%, Self-Supporting Minister 5%.
- ii) We all pay the 'Curates Share' to cover the cost of training them, as we all need a new priest in the future, but benefices that are hosting a Curate get a 'Curates Allowance' (rebate) to acknowledge the cost of the training they provide.
- iii) Second half cost adjusted by: $\text{Total half year cost} \times \frac{\text{Your average attendance}}{\text{Total average attendance}}$
- iv) The 'Base Allocation' is the full cost your benefice would be paying if there was no cap. After the cap has been applied its called the 'Allocated Cost'.
- v) In the new 'Proportional Plan' there isn't a single 'Base' value, it's different for every Benefice dependent on how many of each type of priest you have.

Parish Share Explained

1 Origins



Our present situation can be traced back to the Middle Ages when monasteries and cathedrals were still serving the people for miles around them. Many Feudal lords then built their own church for their family and workers and hired a priest, who was dependent on that lord for their 'living'.

If the lord was wealthy, all was well, but many priests were poorly rewarded, especially as the age advanced and the lords became less influential and so poorer. Many priests ended up living in considerable poverty in badly maintained parsonages.

Whilst the church in England was still Roman Catholic it paid tax to Rome, but after the Reformation that tax was redirected to the British crown. In the 18th century, Queen Anne directed that the tax should be used to subsidise the stipend (pay) of the poorest priests and to repair the poorest parsonages – known as 'Queen Anne's Bounty'.



In the 19th century, parliament created a number of 'Commissioners' to manage and oversee those funds, as well as the many new churches built to accommodate the movement of people into the towns that were created to serve the industrial revolution.

In the middle of the 20th century, those earlier Commissioners were amalgamated into 'The Church Commissioners' we know today. They inherited the historical funds and responsibilities and for many years were able to subsidise our parishes, so we in the pews got used to paying less than the full cost in return for a full parish provision.



By the 1990s that was becoming unsustainable. It came to a head when the law of the land was changed and, along with others 'workers', priests were entitled to retire at 65. Much of the Church Commissioners' income now goes to pay pensions that hadn't been anticipated and to provide houses for retired clergy who have to move out to make way for their replacement.

Consequently, the Commissioners can no longer subsidise all parishes but only the poorest and, as Gloucestershire is in the top 10% wealth per head, we get no subsidy but have to find all the money to pay our priests ourselves, just like the feudal lords.

Parliament and General Synod agreed that the Church Commissioners should only be responsible for paying pensions earned before 1997 and the dioceses should be responsible for pensions after that. The Church Commissioners still pay for all the bishops, the Cathedral Deans, two of each cathedral's 'Chapter' (staff) and a subsidy to the poorest dioceses. (The cathedrals have to raise the rest of their income in the same way any parish church does – through their own congregation and donations from visitors – Parish Share doesn't go to pay them).

2 The Quota

As our PCC or benefice has replaced the feudal lord as the body that 'hires' our priest, so we're responsible for paying them. For convenience we do that through the diocese, which provides legal and financial expertise on our behalf to deal with National Insurance Contributions, Pension Deductions, Safeguarding, Training and the other 'legalities' the law requires. If the diocese didn't do that for us, each PCC would have to hire its own experts, which would cost us considerably more.



In order to make those payments on our behalf, the diocese needs to collect the money from us, and for some time that was done through a 'Quota' system. In an attempt to spread the costs fairly, the diocese gave each *parish* a portion or 'Quota' of the total diocesan ministry costs, worked out using complex formulae involving factors such as the number of people on your Electoral Roll and the relative wealth of your parish compared to all others in the diocese.

3 Parish Share and Mutual Support

It was recognised that the Quota system had many faults, eg: increasing our Electoral Roll increased the quota so discouraged us from seeking new members and assessment by the centre led to local anomalies between the parishes, so in 2004 it was abolished and replaced with 'Parish Share', based just on the number of priests in your benefice.



At the same time, a system of 'Mutual Share' was introduced whereby the diocese now only allocates the share to each *benefice* and advises the deanery of the total. The deanery is responsible for seeing that the total across its benefices is paid in full.

The deanery recognises that each benefice is best placed to share its total between its own parishes, so asks each parish to offer what they can towards their benefice total in a spirit of Christian love and care to support those who can't pay more. For example, one parish may have a big repair bill one year so needs to pay less, or can now pay more again because that repair has ended.

4 Five Year Plan: 2011-2015



In 2010 our diocese introduced a '5 Year Plan' with a 'Base Cost' calculated in 3 categories and divided by the total number of priests to give a cost for 'Each Full-time Priest' and a pro-rata rate for each part-time one. That 'Base Cost' was then inflated at a fixed rate of 3% per year to give a predictable cost for each priest for each of the 5 years.

Base Cost: 2010

Total Ministry Costs divided into 3 categories:

Stipends/NIC/Pensions	35,839
Housing	10,035
Other Costs	<u>4,939</u>
Each full-time priest	<u>£50,813</u>

Pro-rata	
House for duty (HfD)	16,938
Self-Supporting Minister (SSM)	2,541

Base Cost Inflated at 3% per year:

2010	2011	2012	2013	2014	2015
50,813	52,337	53,907	55,525	57,190	58,906