

The Calculation of Deanery Shares

As approved by Coventry Diocesan Synod in May 2010

1. Introduction

The Parish Share Review Group was set up by Bishop's Council in May 2008. It completed its work in March 2009 with the publication of a report entitled *Transparency, Simplicity and Fairness*. The two main recommendations from the Review Group were that:

- The diocese adopts a new system for the calculation of Deanery Shares.
- We continue to allow deaneries to allocate this Share to their own parishes and benefices, using any method that they choose.

An extended period of consultation began in July 2009. The Parish Share Consultation Group took over from the Parish Share Review Group and made presentations in all eleven deaneries, and over 100 people signed up to an on-line discussion forum. Several people suggested amendments to the proposed new system, and these were carefully considered by the Consultation Group. Some of these amendments were then incorporated into a revised proposal, and others became the focus of four separate discussion papers.

The revised proposal and these four discussion papers were debated at the Diocesan Synod meeting on 24 May 2010. The Synod voted to decide the method used to divide training costs, and the method used to allocate to deaneries the credit for parochial fees. An amendment was also proposed and adopted by the Synod, which increased the majority of deanery representatives required to approve the following year's support fund payments by vote from two thirds to 85%.

70 members of the Synod either attended the meeting or were represented by a proxy. The motion to adopt the proposals was passed by an overwhelming majority, with only two votes against and one abstention.

The rest of this document is the revised proposal debated at the Diocesan Synod meeting on 24 May, updated to reflect the decisions made in that meeting.

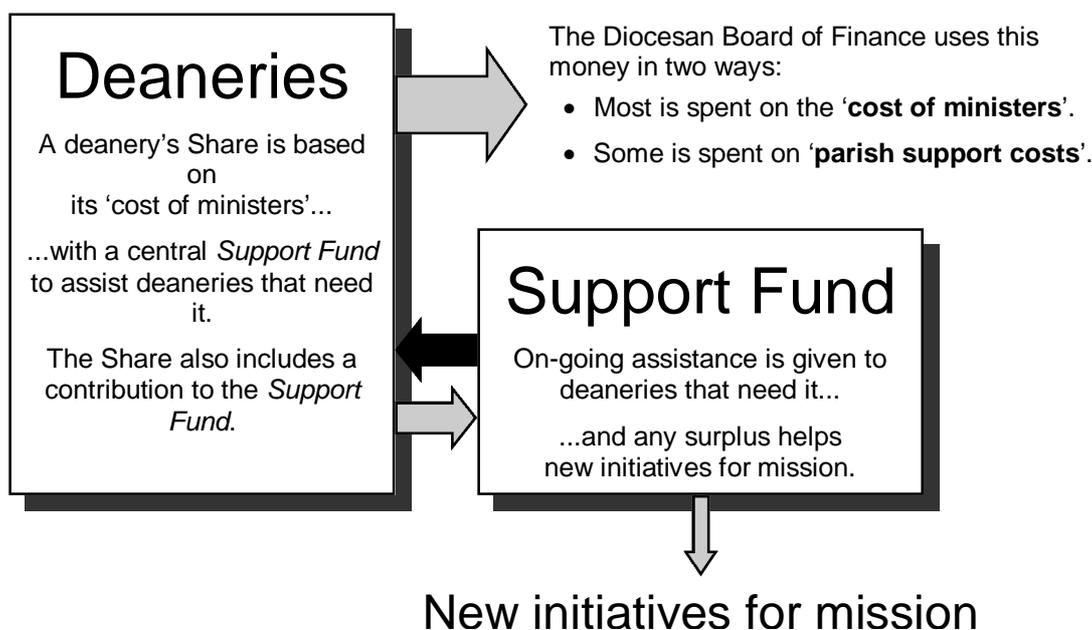
2. Summary

The new system can be summarised as follows:

**A deanery's Share is based on its 'cost of ministers',
with a central *Support Fund* to assist deaneries that need it.**

**The Share also includes a contribution to the *Support Fund*,
and any surplus helps new initiatives for mission.**

It is also illustrated with the following diagram:



The main elements of the new system are outlined below:

1. The diocese calculates the '**cost of ministers**' for each deanery.
2. The diocese calculates the **parochial fees** that are to be credited to each deanery.
3. The diocese creates a central ***Support Fund***. The primary purpose of the fund is to provide on-going assistance to deaneries that need it. This is financed by contributions received from all deaneries.¹
4. A deanery's Share is then calculated as the combined total of:
 - The 'cost of ministers' for the deanery;
 - Less a credit for parochial fees;
 - And the agreed payments to, and from, the *Support Fund*.
5. Each deanery decides how best to allocate the Deanery Share among its parishes. Parishes are encouraged to support each other within their own benefice and deanery.
6. Any surplus within the *Support Fund* is used to help new initiatives for mission.

¹ Only half the deaneries will contribute to the *Support Fund* in 2011. From 2012 onwards, it is hoped that **all** the deaneries will be contributing to the *Support Fund*, (but less than half the deaneries might receive any assistance from it).

3. The main benefits of the new system

The new system has the following main benefits:

- It creates a support framework for both the ‘**inherited church**’ and the ‘**emerging church**’.
- It changes the focus from ‘paying the share’ (which some people see as a tax), to ‘**supporting ministry and mission**’ (which most people see as a good cause).
- It encourages greater **collaboration** within deaneries, and between deaneries.

4. Calculating the ‘cost of ministers’

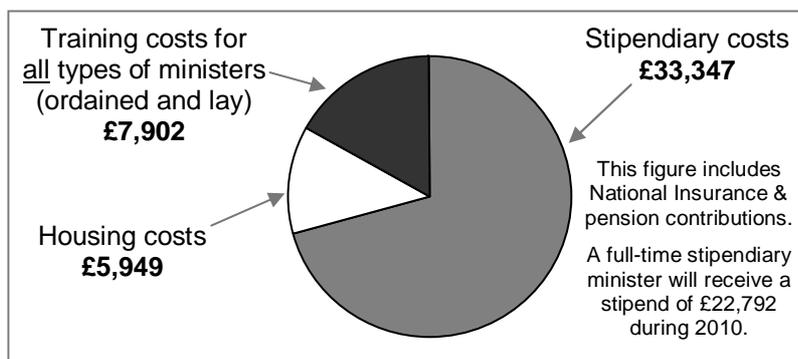
The ‘cost of ministers’ is the money spent by the Diocesan Board of Finance (DBF) on parochial ministers. It has three components:

- **Stipendiary costs.** This is the money spent on clergy stipends, pension contributions, and National Insurance contributions. In 2010 it amounts to £33,347 per stipendiary post.
- **Housing costs.** This is the money spent on maintenance, Council Tax and Water Rates for clergy housing. In 2010 it amounts to £5,949 per house.
- **Training costs.** This is the money spent on the training of both ordained and lay ministers (including the stipendiary costs of curates). Each year Diocesan Synod shall explicitly approve the training costs to be used in the Deanery Share calculation.² In 2010 it amounts to £7,902 per benefice.³ At the Diocesan Synod meeting on 24 May 2010, it was specifically decided that the allocation of training costs to each Deanery should be based on an apportionment by benefice.

The ‘cost of ministers’ in each deanery is therefore determined by:

- The number of stipendiary posts;
- The number of houses used by parochial clergy;
- The number of benefices.

Based upon the 2010 budget,
a benefice with one stipendiary
post and one house costs
£47,198



² In 2010 the total cost of training is £975,211. However, if the diocese is able to fund some of these costs from other sources of income, a smaller sum can be used in the Deanery Share calculation.

³ Counting the number of benefices is not as easy as one might imagine! The legal definition is not very helpful, and for the purpose of this paper:

- A benefice is regarded as a parish, or group of parishes, overseen by an incumbent or priest-in-charge.
- A team ministry is regarded as being the equivalent of ‘multiple benefices’.

5. Credit for parochial fees

Parochial fees are paid by parishioners for weddings and funerals. Part of the fee is given to the diocese as a contribution towards clergy stipends.⁴

The Deanery Share calculation includes a credit for the actual fees received from each deanery. This method of allocation was specifically approved at the Diocesan Synod meeting on 24 May. The deanery can then decide how best to allocate this credit among its own parishes and benefices.

6. Support Fund payments in 2011

Deanery Shares in 2011 will be calculated using the **existing system**, and all deaneries will face an across-the-board increase. This increase will be approved by Diocesan Synod in the usual way.

Once Synod has approved the Deanery Shares for 2011, the Diocesan Finance Group will illustrate how these same amounts could have been calculated using the **new system**. For each deanery, this will require a 'balancing sum' to be paid to/from the *Support Fund*.⁵

7. Support Fund payments from 2012 onwards

The *Support Fund* payments in 2011 are 'balancing sums' (see above). However, from 2012 onwards, they become a matter for the deaneries themselves to decide upon.

The first step is for each deanery to appoint two Deanery Representatives who are committed to the principle of mutual support. Invitations will be sent to the Rural/Area Deans and Lay Chairs; however, if any invitation is declined, the Deanery Synod shall elect an alternative representative.

Each year the Deanery Representatives meet to discuss the *Support Fund* payments for the following year; therefore, discussions in 2011 will focus upon the payments for 2012. The aim of these discussions is to reach a **unanimous** agreement about the assistance given to some deaneries, and also the contributions made by all deaneries.

The Parish Share Consultation Group suggested a process for helping the Deanery Representatives to reach an agreement.⁶ However, the representatives have the freedom to choose any process that complies with the following terms of reference:

- Each year the representatives shall appoint an independent Chair (who has no vote).
- The representatives have until the 30th June to approve the list of *Support Fund* payments for the following year. If a unanimous agreement cannot be reached, the Chair shall propose a list of payments to be voted upon; an **85% majority**⁷ is then required for approval. If the representatives do not approve a list of payments, the list for the current year shall be re-used.
- The total contributions to the *Support Fund* **must** be equal to, or greater than, the total assistance given.
- Bishops, archdeacons and officers may attend any meeting in order to provide spiritual and financial advice. However, these people have no vote.

⁴ Some incumbents assign their fees to the diocese; others choose to have these fees deducted from their stipend.

⁵ In preparing a calculation sheet for 2011, the DFG will need to finalise the 'Deanery Numbers' upon which the calculation is based. There are a handful of stipendiary ministers who partly work in the parish, and partly for the diocese or another organisation. The DFG needs to check that such posts are being counted in a consistent way. A similar issue arises with ministers in Local Ecumenical Projects.

⁶ A suggested process is set out in Supporting Paper B, which can be downloaded from www.parityshare.info

⁷ Originally a two-thirds majority was proposed to Diocesan Synod. It was agreed in the meeting on 24 May 2010 that this should be increased to 85%.

Every Deanery Synod is invited to ratify their own contribution to (and assistance from) the *Support Fund*. In the event that a Deanery Synod is unhappy with either of these payments, they have until 30th September to lodge an appeal with Bishop's Council. The decision of Bishop's Council is final.⁸

Any surplus in the *Support Fund* is used to help new initiatives for mission. Unless otherwise agreed by Diocesan Synod, it shall be transferred to the diocesan *Mission Fund* at the end of the year.

8. Simplicity and Transparency

A deanery's Share is calculated as the combined total of:

- The 'cost of ministers' for the deanery;
- Less a credit for parochial fees;
- And the agreed payments to, and from, the *Support Fund*.

These are the only items that affect the **amount** of a deanery's Share; however, there are two opposing views about how the calculation ought to be **presented**:

- About half the members of Diocesan Synod favoured the 'keep it simple' approach. They want the calculation sheet to show only the items listed above.
- The other half of Synod members favoured the 'make it more transparent' approach. They want the calculation sheet to acknowledge other additional items (eg investment income from glebe, additional payments from the parishes of the Warwick Team and Budbrooke, savings during vacancies, etc.).

Discussions regarding the presentation of the calculation sheet are on-going.

⁸ If the appeal is upheld, Bishop's Council may need to increase the contributions from all deaneries in order to balance the *Support Fund*.