

Benefice Share Frequently asked questions and answers (FAQs)

What is the purpose of Benefice Share?

Benefice Share is paid into our Common Fund that is then used to ensure that there is ministry and mission across our whole diocese and that we are able to be a Christian presence in every community.

Why has the new Benefice Share system been adopted?

The new Benefice Share methodology has been developed to address issues with the old system and to look afresh at how we fund our ministry and mission.

What was wrong with the old Parish Share system and how does the new Benefice Share system improve things?

Concerns have long been raised about the perceived equity of the old system, the lack of objectivity of the socio-economic data used and the perception that it penalised growth. The foundational principles of the Benefice Share methodology recognise and address those issues, while recognising that no system is perfect.

How does the new Benefice Share system differ from the old Parish Share system?

The Benefice Share system aims to use independent data from census and the Office for National Statistics, as well as using data already submitted by our PCCs, such as Statistics for Mission. Parishes can check the independent census data used to calculate their Benefice Share request on the ArcGis Church of England parish map

The starting point for calculating the Benefice Share is the clergy resource deployed in that benefice, rather than the number of worshippers of a parish.

Is the new Benefice Share system unique or have other dioceses adopted a similar system?

Every diocese is different and uses its unique method of calculating their requests for contributions into their Common Fund, although there are commonalities. In considering the best method of calculating contributions into our Common Fund in Bath and Wells, the Common Fund Committee reviewed the methodology of other dioceses around the country. Our methodology was developed to reflect our diocese and take into account the feedback we received from across the diocese. Had it been clear that one particular method worked exceptionally well then we would have adopted that but the landscape is more nuanced than that.

What is the target (hoped for) collection rate for the new Benefice share system?

The target collection rate is always 100% so that our Common Fund, alongside investments and other sources of income, can finance mission and ministry across our diocese. Historically, Bath and Wells had an excellent collection rate and we want to return to that level.

October 24

What, if anything, will change as a result of adopting the new system? For example, will my parish need to be part of a new benefice?

No direct changes are anticipated as the result of adopting the new system. One effect is that we hope it will be easier for churches to communicate to their parishes how any money they donate will be used. Often people in the wider community value the ministry offered by the clergy and the church, for example in schools, and can see that it is worth contributing towards. We hope the greater transparency of the new system will make the communication to potential supporters easier.

How will the new system benefit individual donors and what will they on average be expected to pay each week?

We hope that the transparency of the new system, together with the supporting materials that will be provided, will make it easier for individuals to realise why they are being asked to pay to support their church (and others), and can determine the easiest way to make their contribution, and see the difference they can make.

If every regular worshipper contributed the average would be approximately £15 per week, which is below that of the average contribution received in 2023. Every worshipper's circumstances are different and we recognise that their contributions will vary accordingly and we value each and every one.

How will the new system benefit parishes/benefices?

The aim of introducing the new Benefice Share is to address concerns around the old Parish Share system, which included addressing the inequity of the percentage of parishes being financially supported across the diocese, rather than supporting. By introducing a more transparent methodology based on independent data, it is hope there will be a greater level of trust in the calculations and understanding of what funds are needed and why, which will help us face our financial challenges together.

What percentage of parishes/benefices will see their parish/benefice share go up as a result of the new system and what percentage will see their parish/benefice share go down?

Approximately 70% of parishes may experience an increase in share, the level of which will vary greatly. 30% of parishes may experience a reduction in share. This shift reflects the fact that under the old system, 30% of our parishes were financially supporting the remaining 70% which was unsustainable and needed to be addressed.

What are the major components and costs that make up Part A e.g. Stipend, Pension, National Insurance etc.

Part A figures depend on whether the clergy person is full-time stipendiary, half-time or House for duty, but as a guide, for a full-time incumbent it is made up of a stipend (£31.5k), National Insurance and pension contributions (£10.2k), housing-related costs (£10.6k) training, and support in retirement (£4.2k).

An infographic explaining the breakdown can be downloaded at <u>bathwells.org.uk/our-common-fund</u>.

What does Part B pay for?

Part B pays for diocesan-wide wide costs. This includes our ministers in training, such as ordinands and curates (£1.2m), archdeaconry costs including archdeacons' stipends, their assistants' salaries, housing and office costs (£270,000)

Part B contributions also pay a portion of the provision of support services. A number of staff costs are also covered in Part B, which covers statutory compliance roles, including Finance, HR and Safeguarding. Part B also contributes towards our diocese support of Education and ministry towards children and young adults.

An infographic explaining the breakdown can be downloaded at <u>bathwells.org.uk/our-common-fund</u>.

What does Part C pay for?

Part C is our mutuality and generosity contribution, and this pays for supporting our parishes and benefices where they cannot economically meet the figure for Part A and B. This support is given for parishes in areas of high multiple deprivation or significant rural sparsity.

Without these contributions, we would not be able to financially sustain having paid ministry in areas of significant need, and be a Christian presence in every community.

An infographic explaining the breakdown can be downloaded at <u>bathwells.org.uk/our-common-fund</u>.

In 2025 will parishes receive details of what they are being asked for, as they have in the past?

Yes, when the Benefice Share requests are sent out, each benefice will receive details of their request, detailing part A, B and C costs. They will also be sent a suggested breakdown of contributions for each parish, together with the statistics that explains that breakdown. However, the decision about the parish allocations remains with the benefice to reflect local knowledge and circumstances.

Will there be a discount (as in the past) for a benefice which wishes to pay Benefice Share in full at the beginning of the year?

There will be a discount offered to a benefice that wishes to pay its share in full at the beginning of the year. This reflects the benefit that offers to the Diocesan Board of Finance, helping ensure funds are in place to meet regular monthly costs.

Who will be sent the Benefice Share figures and who will be responsible for their payment?

The Benefice Share figures will be sent to each benefice's incumbent and treasurer, it will also be sent to Churchwardens if a benefice is in vacancy. It is then expected that they will share these figures with their PCC, in their role as trustees. Each parish will return an option form confirming their expectation of their 2025 contribution, so will still be responsible for making its payment to the Common Fund.

If the benefice wishes to make the payment for all its parishes, this can be arranged by contacting the diocesan Finance team. Email:benefice-share@bathwells.anglican.org

Who will be responsible for allocating the Benefice Share figures to individual parishes within a benefice and on what basis is this allocation expected to be done?

When the Benefice Share requests are sent out, each benefice will receive details of their request, detailing part A, B and C costs. They will also be sent a suggested breakdown of contributions for each parish, together with the statistics that explains that breakdown, which include considering worshipping numbers, population and indices of multiple deprivation in the benefice. However, the decision about the parish allocations remains with the benefice to reflect local knowledge and circumstances.

What happens if a parish is struggling to raise the requested funds?

If a parish is struggling to pay, they should contact their Archdeacon and/or the Finance team in the first instance, to make them aware of the circumstances preventing them from being able to make a payment. The Giving and Funding team can provide support to parishes to maximise and diversify their income through the adoption of generous giving tools and resources, campaigns that enable wider community engagement and applications to grant making bodies. If a parish has not already done so, we would strongly encourage them to engage with the team. Click to book an initial 30-minute conversation with a member of the Giving and Funding team.

Is Part C optional?

The Common Fund approach depends on an understanding of our mutuality as the Body of Christ where we share our resources so that all parts of that body can flourish. Part C has been calculated as a mutuality pot because not all benefices will be able to reach the full amount of Part A and B because of circumstances beyond their control. If parishes/benefices don't contribute to Part C then that mutuality breaks down and we would need to review our calculations for the future.

For more information about Common Fund and Benefice Share please <u>bathwells.org.uk/our-common-fund</u>.