

Benefice Share – a revised method of calculating contributions into our Common Fund



Foreword

Following a period of consultation across our diocese, a revised method of calculating contributions into our Common Fund was approved by Diocesan Synod in July 2024. I was very heartened by the level of engagement in the consultation process as this was a decision that affects all of us. It is not the Bishop's Fund, it is not the Diocesan Board of Finance's Fund, it is our Common Fund which allows us to be the church where you are and - crucially - all across our diocese.

After much work by the Common Fund Committee, and prayerful input from you, the method endorsed by Synod brings us into a place of understanding and accountability for the reality and context we are in. I know the planned changes are causing anxiety in some places, and this is understandable. All change can be unsettling especially at a time when we are all facing very real financial challenges. But we are facing these challenges together and, should you have any concerns, I would urge you to reach out and get the support that is available to you – and there is a great deal of support on offer. I would also urge you to continue to engage with us on the topic of finance when we hold a consultation next year, this time on our future budget plans.

Bishop Michael

Benefice Share - background

Over the last number of years, the Common Fund Committee (CFC) has been reviewing our methodology for calculating parish share contributions into our Common Fund, alongside other possible methodologies, with the aim of identifying a method that is more equitable and, will aid future financial stability.

The review took into account the biblical principles of giving and identified four foundational principles that characterise the new methodology. After two periods of consultation in early 2024, a final proposal was put forward to Bishop's Council by the Common Fund Committee. Following approval by Council it was voted on by Diocesan Synod who approved its introduction for 2025.

Biblical principles

The very first pen picture of the church in Acts describes a community which shared life, food, and money 'all the believers were together and had everything in common. Selling their possessions and goods, they gave to anyone as they had need' (Acts 2:45-6). Giving was an integral part of church life and discipleship - 16 of Jesus' 38 parables deal with money in some way.

Early church giving was a direct response to three specific things: the grace of God; poverty in the church and supporting the ministers of the gospel.

Giving is normal practice in the early church, and all of it is focused on just these two outcomes – relieving poverty in the church and helping the spread of the gospel. It is also relational – gifts are either within a church community (Acts 2, 4), or sent with a courier bearing greetings, prayer and encouragement to another church community.

Foundational principles

- Mutual support and generosity – across our diocese we have a shared commitment to joyful and Christlike generous support of gospel ministry, with a particular emphasis on supporting areas of multiple deprivation and rural sparsity
- Transparency – it needs to be clear what share pays for and contributes to.
- Independent data – the use of objective data to enable parishes/benefices to see that what their share request is based on.
- Awareness of local context

Introducing Benefice Share

The move to a Benefice Share, rather than Parish Share system, reflects that stipendiary ministry is allocated to a benefice, not a parish. All benefices will be given a breakdown of how their requested Benefice Share might be apportioned between each parish in the benefice based on an average calculation considering population, worshipping communities and indices of deprivation but the final decision will be left to the benefice.

Elements of the new Benefice Share methodology

- Part A: the cost of deploying ordained stipendiary ministry to a benefice.
- Part B: a proportion of the diocesan-wide costs allocated according to size of Worshipping Community (not including Fresh Expressions).
- Part C: a mutuality and generosity contribution of 13.86% of parts A and B to create £1.12 million of support available for parishes unable to meet their request in full.

Part A – direct stipendiary ministry cost

The cost of stipend, housing, pension and training for a priest deployed in a benefice (based on 2025 budgeted costs):

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| Cost of a full-time stipendiary priest | £56,507 |
| Cost of a part time (0.5) stipendiary priest | £35,594 |
| Cost of a house for duty priest | £14,681 |

Working on the basis of 150 full-time equivalent paid priests in our diocese, the cost of paid ordained ministry is nearly £8.5m. Based on our current number of regular worshippers (16,615), this equates to approximately £10 per week, per worshipper (£510 per annum) to cover direct ministry costs across our diocese.

If a vacancy goes on longer than 18 months, a benefice will be offered share relief.

Part B – diocesan-wide costs

Diocesan-wide costs are met from the Common Fund, which is made of income from benefice share, as well as other income, such as from investments and parochial fees. Diocesan-wide costs include those of curates, ordinands, archdeacons. It also includes the costs for support services, the teams that provide services for our diocesan community – our people, parishes, schools and colleges - and ensure the diocese meets its legal and governance obligations, as well as operational costs.

Based on 2025 budgeted income and parochial fee levels, the Benefice Share would be asked to support 45% (£2.45m) of diocesan-wide costs. That is equivalent to approximately £2.82 per week per worshipper (£146.79 per annum) based on current worshipping numbers*.

* Following feedback from the consultation and further deliberations by the Common Fund Committee, Bishop’s Council approved that the recording of worshipping numbers for Part B of the new Benefice Share methodology uses the higher recorded number of the two following figures:

1. Worshipping Community (Question 9 on the Statistics for Mission form) minus Fresh Expressions attendance identified in October (Question 6 on the Statistics for Mission form)

Or

2. Usual Sunday Attendance (USA) (Question 2 on the Statistics for Mission form)

In the event that a parish has not completed their Statistics for Mission form, the most recent parish survey figure should be used for that parish.

In 2022, the Statistics for Mission for Bath and Wells recorded:

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|--|------------------|
| Usual Sunday attendance | just over 11,000 |
| Worshipping community | just over 17,000 |
| Fresh Expression attendance in October | just over 1,000 |

The proposed Worshipping Community, less Fresh Expressions, comes to approximately 16,500, which is not too dissimilar to our current working figure.

Part C – mutuality and generosity pot

A mutuality and generosity contribution of 13.86% of parts A and B to create a £1.12 million support pot for areas identified as needing particular additional support.

Additional support from the Part C mutuality and generosity pot will be offered to:

- the 30% of benefices experiencing the greatest levels of multiple deprivation
- those with a population of less than 100 people/square mile
- benefices of five or more parishes with a population density of less than 250 people per square mile

Magnificat parishes

Our Magnificat parishes (those highest areas on the IMD multiple deprivation scale) will be offered further financial support from LInC and Benefact Trust. This will include Magnificat parishes who are in benefices with non-Magnificat parishes, where the benefice is not in the 30% supported category above.

Adjustments for 2025

Transition period

Because of the challenge of moving to a new figure, which is a significant increase in some cases, it is proposed that benefices are enabled to transition to the new amount over a period of five years.

The transition in 20% annual increments per year will apply to both benefices being asked for an increased amount and to those whose Benefice Share will decrease.

Should a benefice be able to pay over and above the figure requested, making more progress towards their actual Benefice Share, that would be positively encouraged and be of benefit to parishes across our diocese.

Shortfalls

Since the pandemic, a number of our parishes have been paying their Parish Share from their reserves and have made significant financial losses maintaining Parish Share contributions. During this period there has been a cumulative £4.3m shortfall in Parish Share requested.

In order to take these shortfalls into account, the following considerations have been put into place:

- Where reductions in Benefice Share are due to be offered, these are offered, except where 2020-24 shortfalls exist that could be recouped by not applying the reduction.
- Where there has been an underpayment of share over the last four years, the current ask will be locked in until either the shortfall is paid off, or until the ask under the new methodology exceeds the current ask because of the application of inflation.
- These shortfalls are considered on a parish basis, so parishes within multi-parish benefices that have paid in full and are due a reduction, will still be offered the expected reduction.

Who to contact

For questions about your Benefice Share request

Contact the diocesan Finance team.

Email: benefice-share@bathwells.anglican.org

For support with giving and funding

Contact the Giving and Funding team.

[mailto: givingteam@bathwells.anglican.org](mailto:givingteam@bathwells.anglican.org)

or

[Book a half hour introductory chat with the diocesan Giving and Funding team.](#)

Find resources to help explain how the church is financed

Information and resources relating to the Common Fund and Benefice Share in the Diocese of Bath and Wells can be found on the diocesan website at: bathandwells.org.uk/our-common-fund/

Financial calendar

| Date | Document | From | To | Relating to |
|----------------------------------|--|---------------------------|---|---------------|
| January | Return of Benefice Share Option forms ¹ | Parish/ Benefice | Diocesan Board of Finance | Current year |
| By 31 January & | Statistics for Mission ² | Parish | National Church Statistics Unit for use by B & W finance team | Previous year |
| Early in year | Confirmation of receipt of Benefice Share | Diocesan Board of Finance | Parish | Previous year |
| By 30 June ³ & | Return of Parish Finance ⁴ | Parish | National Church Statistics Unit for use by B & W finance team | Previous year |
| By 28 June or 28 days after APCM | PCC annual reports and accounts ⁵ | Parish | B & W finance team | Previous year |
| September | Proposed Benefice share request ⁶ | Diocese Finance team | Parish | Next year |

¹ Return of Benefice Share Option Forms - these forms confirm the expectation of payment towards benefice share from each parish at the start of the year and anticipated payment method.

² Stats for Mission - PCCs have their own login to the national church portal to complete these returns, any forms received by the diocesan Finance team are forward to the national church Statistics Unit for central collation and analysis.

³ These deadlines are set by the National Church Statistics units and are subject to change each year, but are anticipated to remain broadly in line with this calendar.

⁴ Return of Parish Finance - PCCs have their own login to the national church portal to complete these returns, any forms received by the diocesan finance team are forward to the National Church Statistics unit for central collation and analysis.

⁵ These documents held by the diocesan Finance team for collation and analysis. In accordance with the Church Representation Rules (8) The PCC must, before the end of 28 days beginning with the date of the annual meeting, ensure that a copy of the annual report and financial statements provided under paragraph (1)(b) and (c) are given to the secretary of the diocesan board of finance for it to retain.

⁶ Proposed requests will be distributed after the Finance Committee has met to propose the budget for the following year in September and are subject to change should Bishops Council or Diocesan Synod amend the budget assumptions.