

Hertford and Ware Deanery

Parish Share Factor, Triennial Review – 2022

For approval at the Deanery Synod meeting on 7th July 2022:
It is proposed that the Share Factors remain as they are until the next review.

Background

The ministry and mission of the Diocese is largely funded by contributions from the parishes known as Parish Share. Last year, 88% of the entire Diocesan budget was provided by Parish Share contributions, and 89% of the Diocesan budget was spent on mission and ministry in the parishes through the provision of clergy (including their housing, pensions, training and other on-costs).

Each Parish's Parish Share contribution is made up of two parts: the *Stipend Contribution* and the *Ministry Support Contribution*. Each of these is calculated with reference to several variables, but a simple way to understand it is that the same Stipend Contribution is required from each benefice in the diocese (this year that amounts to £35,054), and then each parish is asked to make a further contribution based on its ability to pay. This "ability to pay" is determined by a number of factors including Usual Sunday Attendance (USA), the number of members on the Electoral Roll (ER) and something known as the "Share Factor" (SF). Share Factors are reviewed every three years to ensure that the system is as fair as possible.

Share Factor

Share Factors are intended to smooth out any irregularities or evident injustices created by the ER and USA numbers, e.g., a parish with a large ER and large USA in a poor community may, despite its size, be less able to pay than a parish with a small ER and small USA in a wealthy community. Share Factors take the relative affluence of different parishes into consideration, along with other factors. It is up to the Deanery to review the situation every three years to ensure that changes in the communities and/or churches are accurately reflected in the Share Factor, so no parish is asked to pay more than is warranted or fair.

Proposal for No Change

The Diocesan Board of Finance has determined that the Deanery contributions across the Diocese look about right relative to each other. This means our contribution to the Diocese relative to other Deaneries is fixed till the next review. Any changes we might make within the Deanery will therefore have a direct effect on other parishes in the Deanery only, i.e., if Share Factor for one parish were to be reduced, there would have to be a compensating adjustment (an increase) in one or more of the Share Factors for other parishes within the Deanery to give the same Deanery total number of shares.

The Deanery Standing Committee discussed the matter and considered that the fairest and best approach in this review was to leave all the Share Factors the same for the time being.

It was felt that we are all coming out of Covid and none of us yet have any real grasp on what lasting damage (or benefit!) Covid has done or will do to our finances, so to adjust Share Factors this year is premature. Moreover, there are mechanisms within the Deanery and Diocese to provide short term support to any parish which falls into desperate need as a result of other changes.

This proposal was put to the meeting of the clergy Chapter last month and agreed (8 out of 11 incumbents were in attendance).

I am hopeful that over the next couple of years, the DBF will have begun to look at the way that Share Factor plays out across the Diocese and possibly to suggest the base statistical data which might sensibly be included in any calculation of future Share Factors as well as comprehensive guidance about the process of re-calculation. Then, a truly meaningful Diocese-wide review can take place.

We are mindful that new housing developments in the Deanery are likely to have an impact on the constitution of the Deanery over the next few years, and the current financial climate will create its own challenges – all of which will be felt differently in different settings.

As you know, the Deanery Synod has agreed to set up project teams to look at key aspects of our shared mission. One of these teams is to be headed by Janet Bird (Deanery Treasurer) with a mandate to investigate and report to Synod on matters of Parish Share (including the scheme's equity, matters of non-payment, and support for those in need, etc.). We are anticipating that this team will include Parish Treasurers, and Janet will be in touch with treasurers about this soon. It is our hope that Deanery-level discussions will build trust locally and enable us, as a Deanery, to respond quickly to cries for help from our constituent parishes, and also to stand united and richly informed when the next Diocesan review comes round.

It may help you to know that the range of SF values permitted in the scheme across the Diocese is from 0.5 to 3.0. In our Deanery, the broad pattern is that the village churches have a SF of just over 1 and the town churches have a SF of just over 1.5 (suggesting that the town churches have a higher ability to pay). The exact figures can be seen on the Diocesan website.

I hope you will vote to approve the proposal to make no change.

Revd Mark Dunstan
23rd June 2022