Parish Share Review Group Report

30th May 2024

(with minor amendments and additional information at tables at 2.1.2 & 2.1.3 after comments at diocesan synod on July 9th)

THE CHURCH OF ENGLAND

Diocese of Southwell & Nottingham

Contents

Executive Summary

The increasing year on year gap between share allocated and received was the primary factor behind the review of share allocation methodology, which was committed to as part of the Vision Strategy & Resources (VSR) process for 2025.

Between 2017 and 2023 the total parish share received from deaneries declined from £5.8 million to £5.5 million, which equated to 86% and 80% respectively of the amount allocated. The parish share out turn in 2023 was below 2019 levels. The stark reality is that parishes that are nowhere near paying direct ministry costs still expect a stipendiary post. The hidden reality of subsidy needs to be brought out in the open. The diocese is currently absorbing a budgeted deficit around £600,000 in 2024. The Diocese is committed to increase local giving and parish share to be well on the way to financial sustainability by 2030.

Good progress has been made to increase the awareness of ministry costs over the last six years, which together with learnings gleaned from the national Parish Share Systems Review regarding methodologies across the Church of England, forms the foundation of the key recommendations of the report. These are to implement:

- Multi-year share trajectories, based on a sharpened definition of ministry costs, to provide parishes with full clarity on share allocations.
- A Parish Share Team to enable decisions to be made in line with the refreshed diocesan vision and strategy.
- A communications strategy, both for the initial implementation phase, to explain the new methodology, and on an ongoing basis. This will include roadshows in each deanery in Autumn 2024.
- A revised approach to Lowest Income Community (LInC) funding.

The PSRG submits this report as together we seek to grow and sustain ministry to bring Living Hope to the city, towns and villages of Nottinghamshire and beyond.

Recommendations

Section 2.2 The PSRG propose that the theological and biblical paper in Appendix A and resources in Appendix A(2) form the basis of a) a simplified version to go with the 'Ministry costs booklet' b) study group material available on the diocesan learning hub, c) resources for clergy and key lay leaders to speak confidently and consistently about Parish Share with their PCCs and congregations. **[Recommendation 1]**

Section 2.3.4 The PSRG propose the formation of a parish share team with the Chief executive, archdeacons and finance director as permanent members and representatives invited to participate as appropriate from the discipleship and ministry and communications teams to enable decisions to be made in line with the refreshed diocesan vision and strategy. **[Recommendation 2]**

Section 2.3.4 A communications strategy would be created for the initial implementation phase to explain the new methodology, which then needs to be reinforced in subsequent years. **[Recommendation 3]**

Section 2.4 The PSRG propose that 90% of LInC funding is used directly to enhance resources to support ministry and social action in the lowest 25% income communities, taking greater account of local parish resources. This will be focused on parishes in the most deprived parishes with clearly demonstrable Growing Disciples Plans, either new or existing, to engage missionally with their communities with clearly defined outcomes. **[Recommendation 4]**

Section 2.3.4 The PRSG propose that the remaining 10% of funding for lump sum discretionary reductions in Share for significant one-off items/ events, for example unforeseen repairs/ replacement of significant capital items or specific missionally focused events. **[Recommendation 5]**

Section 2.5 The PSRG propose a change in the cost categories **from three to four**;

a) ***Direct ministry*** (stipend, housing, pension, NI)

b) ***Direct ministry support*** (includes Deanery Admin, Archdeacons costs, grants to parishes, clergy training, Safeguarding, school chaplaincy, clergy wellbeing, giving advisor)

c) ***Developing ministry*** (includes the stipends, housing, pension, National Insurance and training of curates, ordinand training costs, lay training costs and the cost of the intern programme).

d) ***Governance and Statutory*** *costs* that reflect the contribution to legal and financial compliance, governance and diocesan contributions towards national church responsibilities - (Finance, DAC, Registry, Communications, Education and share of national church costs). **[Recommendation 6]**

Section 2.6.2 The PSRG propose that ***every parish will have a trajectory towards the new full ministry costs (at least) for the PSPU in which they are situated and know the expected parish share allocation for each year between 2025 and 2030.*** **[Recommendation 7]**

Section 2.6.6 The PSRG propose that the Governance and Statutory costs should be funded from diocesan resources until 2030. [Recommendation 8]

Section 2.6.8 The PSRG propose that it would be motivating and encouraging to **identify what the contributions above full ministry costs were being used towards**, for example a) the cost of church revitalisations and church planting in contexts across the diocese, b) supporting churches in poorer areas that had clear missional plans but who would need longer to reach financial sustainability, c) the costs of developing the leadership pipeline (both lay and ordained). **[Recommendation 9]**

Section 2.6.8 The PSRG propose that the new allocation methodology should;

- ***Enable all parishes to take responsibility for the costs of ministry*** that they are receiving.
- ***Encourage generosity in every parish including those in wealthier areas***,
- ***Enact trajectories*** for all PSPUs such that those currently paying above full ministry costs ***proportionately reduce over time relative to the overall parish share return as other PSPUs take more responsibility for the costs of ministry***. **[Recommendation 10]**
- ***Embed trajectories*** over time ***such that*** **no** ***PSPU would be asked for more than one and a half times full ministry costs.*** **[Recommendation 11]**

Section 2.6.8 If additional associate stipendiary posts were agreed for the PSPU it is anticipated that the trajectory would be adjusted to reflect the extra cost categories (i.e. full ministry costs for the incumbent plus direct ministry + direct ministry support for each associate). **[Recommendation 12]**

Section 2.6.9 The PSRG propose that the discount is discontinued. [Recommendation 13]

Parish Share Review Group Report

1.Introduction

The Parish Share Review Group (PSRG) started its work on 20th December 2023 and met 11 times, chaired by the Archdeacon of Nottingham. The group included lay and ordained members who had experience at parish, deanery and diocesan levels (For the full list of members see Appendix H). The group was given the following terms of reference by Finance Committee, which frames this report.

- Assess the effectiveness of the current basis of parish share
- Agree the purpose of allocating the costs of the Diocese to parishes
- Consider the national Parish Share Systems Review Report evaluating methodologies used by other dioceses.
- Review the allocation of Lowest Income Communities (LInC) Funding
- Evaluate the composition of each element of Full Ministry Costs
- Develop clear, simple, stretching but achievable proposals to recommend to Finance Committee
- Consider the roles, responsibilities and relationships between the diocese, deaneries, benefices and parishes.

2.Terms of Reference – Findings and Recommendations

2.1 Assess the effectiveness of the current basis of parish share

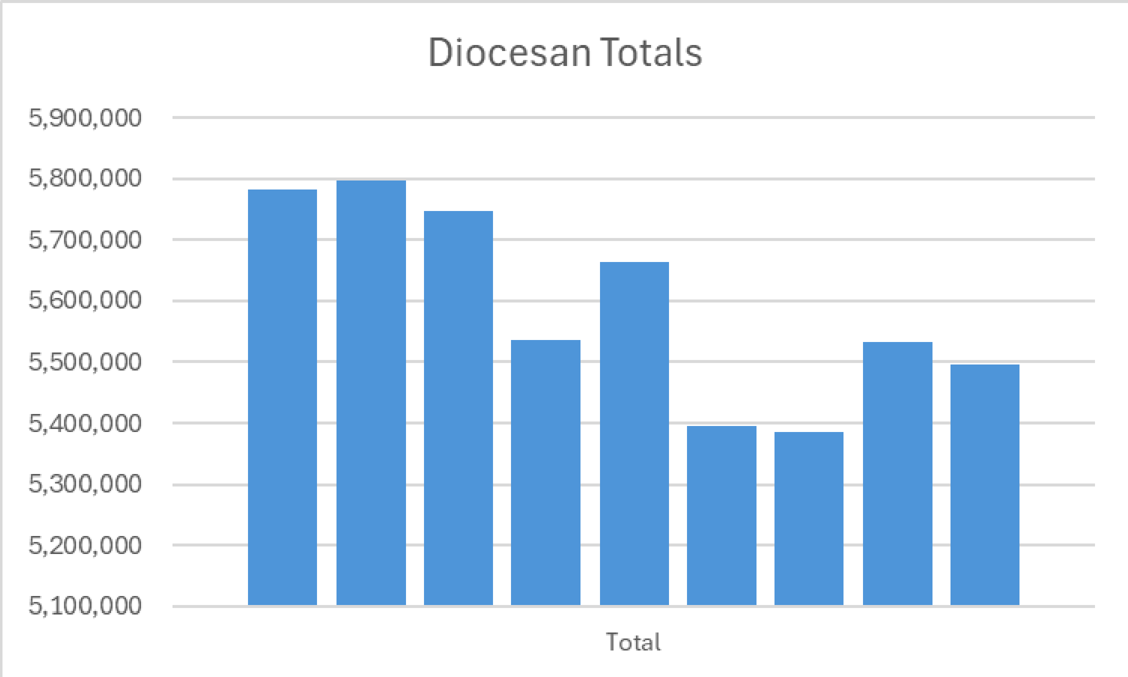
Before the 2024 allocation process, the Diocese followed a structured approach to the allocation of share. The formula considered the number of incumbent status posts and attendance in the deanery on a 70% ministry received and 30% attendance with a reduction for LInC funding (for the 30 posts in the most deprived parishes).

Although this gave stability due to a consistent formulaic approach, it did not consistently take account of the individual circumstances of parishes as deaneries adopted different allocation methods. This resulted in a growing disconnect between the parish share ask and the parish share received. While giving in most parishes is relatively static costs have increased significantly.

The table below shows the steady increase, year on year in the % gap between the amount asked and the amount received. In 2021, we received 91% of the total ask, reducing to 84% in 2022 and 80% in 2023. The Share out turn in 2023 was below 2019 levels but costs have increased over that period by around 15%.

	31/12/2015		31/12/2016		31/12/2017		31/12/2018		31/12/2019		31/12/2020		31/12/2021		31/12/2022		31/12/2023	
	Receipts	% of Ask	Receipts	% of Ask	Receipts	% of Ask	Receipts	% of Ask	Receipts	% of Ask	Receipts	% of Ask Rcvd	Receipts	% of Ask	Receipts	% of Ask	Receipts	% of Ask
Bassetlaw & Bawtry	774,853	95%	761424	84%	708,926	84%	627,463	78%	676,985	91%	613,667	78%	645,793	82%	619,751	72%	588,450	65%
Mansfield	464,361	97%	475544	93%	471,946	93%	473,282	95%	482,575	97%	411,142	80%	332,670	82%	423,377	87%	430,360	86%
Newark & Southwell	562,665	77%	564913	75%	573,342	75%	571,630	76%	599,071	99%	588,476	93%	592,626	96%	599,877	86%	564,127	77%
Newstead	676,914	97%	684747	98%	693,740	98%	685,761	99%	704,956	96%	648,402	84%	656,242	91%	675,545	86%	679,079	84%
Newark Archdeaconry totals	**2,478,793**	**87%**	**2,486,628**	**87%**	**2,447,954**	**87%**	**2,358,136**	**86%**	**2,463,587**	**95%**	**2,261,687**	**84%**	**2,227,332**	**88%**	**2,318,551**	**82%**	**2,262,016**	**76%**
East Bingham	572,582	80%	555359	80%	534,603	80%	534,141	80%	494,346	87%	524,411	88%	513,599	87%	540,011	83%	522,036	76%
Gedling	671,724	84%	674051	84%	696,407	84%	626,934	81%	629,332	85%	644,677	88%	631,504	82%	577,785	68%	580,141	64%
Nottingham North	441,611	70%	431924	70%	443,094	70%	426,985	71%	454,238	100%	436,923	93%	399,144	96%	426,011	88%	434,685	85%
Nottingham South	930,385	88%	947724	88%	879,232	88%	851,244	85%	853,603	97%	772,046	88%	778,025	95%	846,433	96%	793,056	87%
West Bingham	673,104	92%	699988	92%	727,998	92%	737,690	92%	733,072	96%	756,078	94%	769,111	96%	741,118	87%	803,125	90%
Nottingham Archdeaconry totals	**3,289,406**	**84%**	**3,309,046**	**84%**	**3,281,334**	**84%**	**3,176,994**	**83%**	**3,164,591**	93%	**3,134,135**	**90%**	**3,091,383**	**91%**	**3,131,358**	**84%**	**3,133,043**	**80%**
Archdeanconry Totals	**5,768,199**	**85%**	**5,795,674**	**85%**	**5,729,288**	**85%**	**5,535,130**	**84%**	**5,628,178**	**95%**	**5,395,822**	**87%**	**5,318,715**	**90%**	**5,449,908**	**83%**	**5,395,058**	**79%**
Late Receipts	14,648		500		17,304		-		18,000		0		8,478		8,106		1,618	
BMOs and other contributions	-		-		-		-		17,196		0		58,319		76,110		100,500	
Total	**5,782,847**	**85%**	**5,796,174**	**85%**	**5,746,592**	**85%**	**5,535,130**	**84%**	**5,663,374**	**95%**	**5,395,822**	**87%**	**5,385,512**	**91%**	**5,534,124**	**84%**	**5,497,176**	**80%**

The table below shows the totals of parish share paid between 2015 and 2023 which, in recent years has ranged between £5.8 million (2016) at its highest and £5.4 million (2021) at its lowest.



As well as the disconnect between the amount asked and received, the formula-based approach allied with deanery allocation created the following issues.

- With diocesan encouragement, individual deaneries took different approaches which created significant inconsistencies across the diocese as a whole. There were anomalies where parishes across deanery boundaries with similar ministry received and attendance had very different allocations.
- The allocation of LInC funding by deaneries was inconsistent, and did not appear to be fair.
- Some deaneries felt a lack of support when allocating out the increasing amount of Share to parishes.
- There was a concern of a growing burden on Parish Share Paying Units (PSPUs)* contributing above full ministry cost.
- There has been confusion surrounding how the diocesan formula works and a concern that the inclusion of attendance penalised growth.
- There was a lack of clarity with deaneries where trajectories had been agreed between parishes and the archdeacon as part of a Transformational Change Appointment, but not reflected in Deanery allocations.

** A PSPU is the parish or parishes that are overseen by an incumbent status priest.*

Taking these factors into account, and recognising the motivational impact of these challenges on deaneries, Finance Committee and Bishop's Council supported a centrally led and more collaborative approach to 2024 allocations. The 2024 allocation process generally produced positive engagement and feedback, with recognition from both deaneries and parishes that their concerns had been heard, whilst understanding more of the financial challenges the diocese faces having set a deficit budget for 2024. After the first four months of 2024 it is too early to conclude whether the flexible allocation methodology has resulted in an upward payment in parish share.

The current method of calculating parish share is not sustainable as it is not closing the gap between the costs of ministry and the amount collected in parish share. This is not close to reaching 90% and is declining.

While the elements of the diocesan to deanery formula had been clear, the different methodologies allocating the deanery total to the parishes has created a number of anomalies. The narrative has grown up in some places that parishes are paying 100% of what the deaneries have asked them with no real understanding that it doesn’t correspond to the actual cost of ministry.

Parishes in similar contexts across deanery boundaries have been asked to pay significantly different amounts, which seems unfair. Equally, a few parishes who have regularly paid over full ministry costs have been subsidising other churches in the deanery which has contributed to the gap in understanding of the actual costs of ministry.

One consequence of allocation by the deanery is that the deanery leadership teams have had the time-consuming role of negotiating parish share allocations. For some, this has felt like being caught in the middle - having to allocate an amount to parishes on the one hand, while not possessing the levers for change on the other. In addition, some deaneries have found it difficult to find treasurers to lead on the allocation process.

A central assumption of the diocesan vision refresh is a commitment to be well on the way to financial sustainability by 2030. We have a strategy for growth and are not seeking to reduce our stipendiary posts or make redundancies as a way of managing diocesan finances. The stark reality is that parishes that are nowhere near paying direct ministry costs still expect a stipendiary post. The hidden reality of subsidy needs to be brought out in the open. The diocese is currently absorbing a budgeted deficit around £600,000 in 2024. While the current vacancy level is due to the lack of suitable clergy, if the posts were filled there would be an even greater projected deficit (not withstanding money available from the national church). The current vacancy level is around 25, which is the highest it has been in recent years. If vacancies returned to the historical and diocesan planned 15 per year, an extra £500,000 would be needed each year in parish share.

2.1.2 Table of Parish Share paid in 2023 by Parish Share Paying Unit

	PSPUs	**LInC**	**Non LInC**
£1-10,000	14	11	3
£10,001 - 20,000	11	7	4
£20,001 – 30,000	19	4	15
£30,001 – 40,000	12	5	7
£40, 001 – 50,000	14	4	10
£50,001 – 60,000	13	1	12
£60,001 – 70,000	17	2	15
£70,001 – 80,000	9	1	8
£80,001 – 90,000	3		3
£90,001 – 100,000	1	1	0
£100,001 – 110,000			
£110,001 – 120,000	4		4
£120,001 – 130,000	1		1
£130,001 – 140,000			
£140,001 – 150,000	1		1
£190,001 – 200,000	1		1
	120	**36**	**84**

LInC = Low Income Communities

2.1.3 Table of Parish share paid in 2023 by PSPU in relation to 2023 ministry cost categories (including those eligible for Low Income Communities (LInC) Funding in brackets)

A (< Direct)	B (< Direct + Future)	C (< Full)	D (>Full)
(0-£50,499)	**(£50,500 - £63,152)**	**(£63,153 – £83,309)**	**(£83,310+)**
70 (31)	16 (3)	24 (1)	10 (1)

The tables above highlight the sobering reality that around 50% of all PSPUs are paying less than 50% of the full ministry costs.

2.2 Agree the purpose of allocating the costs of the Diocese to parishes

The purpose of Parish share is not well understood by many parishioners, both regular attenders and those members of the wider community who want to ensure the presence of the church even if they only attend for weddings, baptisms and funerals. The PSRG is convinced that a biblical framework for understanding parish share is the most important foundation to help in that process. While there are important considerations on how parish share is allocated and what it is used to provide, these are secondary to the purpose of parish share, which must be rooted in an understanding of the character of God, his loving mission through the life, death resurrection, ascension and glorification of Christ, and the role of the Church in making disciples of Christ from all nations.

The PSRG is grateful to Richard Kellett for creating the paper at **Appendix A** ***'What is parish share and why do we pay it? – a biblical and theological perspective'.*** The PSRG propose that the theological and biblical paper in Appendix A and resources in Appendix A (2) form the basis for the creation of a) a simplified version to go with the 'Ministry costs booklet' b) study group material available on the diocesan learning hub, c) resources for clergy and key lay leaders to speak confidently and consistently about Parish Share with their PCCs and congregations. **[Recommendation 1]**

2.3 Consider the national Parish Share Systems Review Report evaluating methodologies used by other **dioceses.**

2.3.1 The national report entitled 'Parish Share: What makes a difference? [PS:WMAD?]was published in March 2024. (To receive a digital copy see Parish Share Report - March 2024 | The Church of England) It's three Key findings were;

- The type of system a diocese uses makes little difference to the success of Parish Share.
- Parishes often view Parish Share as a voluntary contribution to the diocese regardless of what system is used.
- How a diocese communicates and builds relationships with parishes has the greatest impact on returns.

2.3.2 The 2024 report built upon the 2018 Parish Share report which identified the following four key factors resulting in a high proportion of contribution:

- Good communication
- Targeted support and transparency around diocesan finance
- Relationship building
- Explaining the impact of Parish Share

2.3.3 The four key summary recommendations for the refinement of Parish Share systems from the 2024 report were;

Create a Project Team that meets regularly with membership across different diocesan teams to ensure decisions are made in line with diocesan strategy. This enables clear focus, coordination and communication.

Take a Multi-Year Approach – Different methodologies have strengths and weaknesses. Dioceses can and do change them from time to time. However, it is more important to 'create a plan and stick to it' [PS:WMAD? Page 5]. Taking a multi-year approach allows clear communication about the principles as well as the annual figures.

Communication Plan Agreements – 'Communication is perhaps the biggest factor in the success of Parish Share, but it is often neglected or left to the last minute' [PS:WMAD? Page 5]

Face-to-Face Events – 'There is nothing quite like getting in a room and having a discussion when it comes to building relationships, especially relationships between a diocese and parishes...The key is to meet, to communicate effectively, to explain the realistic outlook and opportunities, and to listen. In doing this, information is shared and trust can be built.' [PS:WMAD? Page 5]

2.3.4 Applying the national 2024 summary recommendations to our diocese

The PSRG considered the report and felt that there were particular issues that were relevant for this diocese.

Create a Parish Share Team The PSRG propose the formation of a parish share team with the Chief executive, archdeacons and finance director as permanent members and representatives invited to participate as appropriate from the discipleship and ministry and communications teams to enable decisions to be made in line with the refreshed diocesan vision and strategy. **[Recommendation 2]** The Parish Share team would assess parish share issues, decide on suitable follow up, enable face to face conversations and build trust in the process. The group would create consistency by reviewing parish share issues over subsequent years.

Take a Multi-Year Approach As the PSRG is proposing a new allocation such that every parish would know its' annual parish share figure to 2030, it is recommending a multi-year approach already. However, as it is a different methodology than has previously been used, it will require excellent communication and a clear implementation plan over the coming years, recognising that the journey to full sustainability may take some years to achieve.

Communication Plan Agreements - As the PSRG is proposing a different methodology about how parish share is allocated, a clear communication strategy will be essential and should be created for the initial implementation phase to explain the new methodology, which then needs to be reinforced in subsequent years. **[Recommendation 3]** The refreshed diocesan vision has highlighted that 'encouraging generosity' is an important 'area of focus' in growing disciples of compassion, confidence and courage. The new allocation methodology and the focus on encouraging generosity sit alongside each other. For the new allocation method, there will need to be a range of communication tools to reach different levels, especially at parish/benefice level. This will require face to face meetings, including deanery roadshows. Different communication will need an initial phase to outline the principles, plus more localised conversations that look at the detail. As there will always be some turnover for PCC and deanery synod members, ongoing communication across subsequent years will be important. The PSRG recognised that the most important communication was with parishioners/church attendees who were often unaware of what was the purpose of, and necessity for, Parish Share. This is particularly true of parishioners who are irregular attenders, but also those who have come from other denominations where the idea of funding stipendiary posts across a geographical region is unfamiliar.

Face-to-Face Events Deaneries that have a consistently high level of parish share return against allocation have often built in excellent consultation and communication. Equally, the conversations in 2023 by the Chief executive, archdeacons and finance director with deaneries enabled a two-way listening process and better understanding which was valued by deaneries. The PSRG is also convinced that deanery roadshows and face to face conversations would be essential in explaining and implementing a new 'trajectory' methodology. This will be developed further in considering roles, responsibilities and relationships between the diocese, deaneries, benefices and parishes at 2.7.

2.4 Review the allocation of Lowest Income Communities (LInC) Funding

LInC funding is the amount paid by the Archbishops' Council to the Diocese to support ministry and social action in the lowest income communities and is distributed to dioceses based on the size and average income of their populations. The sum paid to the Diocese remains for financial years 2025 and 2026 at £1.3m. The amount of LInC funding for 2026-30 will be decided by the end of 2024.

Currently 100% of LInC funding is allocated to deanery apportionment by the Diocese based on the 30 incumbent status clergy posts in the most deprived parishes, calculated on Index of Multiple Deprivation (IMD) scores. Where these parishes form part of benefices with less deprived parishes, the funding is pro-rated accordingly. Nottingham North has seven posts while East Bingham has none. Each deanery then allocates its total share at its discretion, not necessarily with reference to the deprived parishes for which the funding has been allocated.

It is worth noting that there are churches in parishes that have IMD scores that qualify for LInC funding but are gathered congregations where the majority of those attending live outside the parish (e.g. St Mary's Nottingham). Equally there are other parishes in areas of deprivation that have a history of generous giving and pay parish share at a level beyond what might be expected (e.g. Skegby with Teversal and Brinsley with Underwood and Eastwood). The National Parish Share report noted that there didn't appear to be a link between areas of deprivation and the total of donations received. Some churches in deprived areas are excellent examples of generous giving.

Funding from the Archbishops' Council is intended to make an impact in resourcing ministry and growing the church in areas of deprivation, for which there is increased monitoring. They are asking each diocese how they balance strategic intent, flexible use and local accountability in the use of LInC funding.

The PSRG discussed withdrawing the £1.3 million to add extra capacity in addition to stipendiary ministry in areas of deprivation. While this is an aspiration (as can be seen from the proposals below), it would require the £1.3 parish share allocation to be added to all other parishes across the diocese or diocesan resources are used to support the balance of the costs of stipendiary ministry in areas of deprivation.

The following proposals all assume that LInC funding will continue to be used to reduce Share allocations in the medium term.

1. More directly target the LInC funding to enhance resources to support ministry and social action in the lowest 25% income communities, taking greater account of local parish resources. This will be focused on parishes in the most deprived parishes with clearly demonstrable Growing Disciples Plans, either new or existing, to engage missionally with their communities with clearly defined outcomes. A wide range of activities can be delivered by a parish/benefice to 'qualify' for LInC funding. Those parishes in the process of adopting plans to engage missionally in new and different ways with the communities they serve will also be eligible. This is often the case when a parish is in vacancy or when a new leadership appointment is made.

It is recognised that change can take several years to affect the church community, and that there is a lag between new growth and increases in congregational giving. It is therefore proposed that multi-year trajectories for funding are published, alongside the share trajectories. It is anticipated that the LInC funding made available to parishes should reduce over time.

An ’index’ (following assessment) of the health and vitality of a PSPU is proposed to help focus the allocation of LInC funding. This will include a rigorous assessment of the current missional and financial state of the PSPU. This will consider current leadership, giving, Parish Share payment history, missional activity in parishes etc.
It is proposed this aspect would constitute 90% of the LInC funding. **[Recommendation 4]**

2. It is proposed to use the remaining 10% of funding for lump sum discretionary reductions in Share for significant one-off items/ events. While this could be for unforeseen repairs/ replacement of significant capital items it would also be for specific missionally focused events.**[Recommendation 5]**

2.5 Evaluate the composition of each element of Full Ministry Costs

The PSRG has spent time assessing the three elements that currently make up full ministry costs, as outlined in the Ministry cost booklets that have been produced in recent years (i.e. direct, future and ministry support costs. The PSRG felt that there were issues with each category.

Direct ministry – This was the easiest category to understand in that each Parish Share Paying Unit (PSPU) usually had a full-time stipendiary minister with a stipend, pension~~s~~, and housing costs

Future ministry – This category currently includes ordinands and curates (but not the cost of interns). It has reflected a positive investment which, over recent years, has created a pipeline for lay and ordained vocations. Some parishes have contested that the deployment of interns, ordinands, and especially curates has been Nottingham-centric. As a result, the question has arisen whether all parishes should contribute to ‘future ministry costs’ when their parish/benefice is unlikely to ever receive an ordinand or curate. While there is some validity that deployment across the diocese for ordinands and curates is currently uneven, there are examples of:

a) *interns* who became *ordinands* and subsequently *curates*

b) *ordinands* from the Nottingham archdeaconry who have been deployed as *curates* in parishes/benefices in contexts in the Newark archdeaconry

c) *curates* trained in the Nottingham archdeaconry who are now *incumbents in the Newark archdeaconry*

The hope and expectation is that the investment in the development pipeline will create even more examples across the whole diocese and in every context (urban, estate, market town and rural). One PSRG member reminded the group that curates are in training and are not just ‘another pair of hands’. Another member suggested that ‘future ministry’ should be changed to ‘developing ministry’ to highlight that the ministries exercised by interns, ordinands and curates were making a difference now and not just in the future. The group agreed that ‘Developing Ministry’ was a better description.

Ministry Support

This was the category that created the most discussion. A consistent narrative from parishes has been that the costs of ministry support posts was disproportionately large compared to the costs of stipendiary ministry. However, the PSRG looked carefully at every role under this category and considered whether it was directly supporting ministry at the parish/benefice level or was a cost that could not be argued to have a direct impact at a parish/benefice level. (For transparency, see Appendix B for more details).

2.5.1 Changing the cost categories

The PSRG propose a change in the cost categories from three to four categories and to differentiate between the costs of:

a) ***Direct ministry*** (stipend, housing, pension, NI)

b) ***Direct ministry support*** (includes Deanery Admin, Archdeacons costs, grants to parishes, clergy training, Safeguarding, school chaplaincy, clergy wellbeing, giving advisor)

In addition, the revised 'future' costs become:

c) ***Developing ministry*** (includes the stipends, housing, pension, National Insurance and training of curates, ordinand training costs, lay training costs and the cost of the intern programme) which the PSRG believe is often overlooked with a clerical concentration on the previous 'future' cost category [See Appendix F for more information on the investment in the Intern Programme and the Apprentice Track].

The previous ministry support cost category would be more clearly differentiated as

d) ***Governance and Statutory*** *costs* that reflect the contribution to legal and financial compliance, governance and diocesan contributions towards national church responsibilities - (Finance, DAC, Registry, Communications, Education and share of national church costs). **[Recommendation 6]**

By reallocating some of the 'cost categories' from ministry support costs to direct ministry support costs, the PSRG was mindful that it risked the accusation of merely reducing ministry support costs arbitrarily in order to diocesan sweeten the narrative and size of 'central' costs. However, the PSRG concluded that the current 'Ministry support' category does not reflect the reality of how much ministry in parishes/benefices actually costs.

Equally, the PSRG discussed who should fund the Governance and Statutory - should it be parishes/benefices or should it come from reserves? (See 2.6.6. for the response).

2.6 Develop clear, simple, stretching but achievable proposals to recommend to Finance Committee

The Diocese has an expansive and compelling vision to reach the 1.1 million population in our diocese with the love of Christ in a way that will bring Living Hope to the city, towns and villages of Nottinghamshire and beyond. As disciples of Christ, all are called to use their resources to bring glory to God. In every part of the diocese, the vision for the future is about people's lives and their communities being transformed. To do that, the costs of ministry need to be funded and also financially sustainable over a longer period of time.

The Archbishops' Council, through the Church Commissioners, continues to support the work of our diocese. Not all dioceses receive the level of funding our diocese does. Through careful stewardship, the diocesan investments are currently funding and subsiding stipendiary ministry. Most other denominations do not have substantial, historic resources and rely on the local congregation to fund the costs of ministry. Where church members have come from other denominations they do not always appreciate that parish share seeks to facilitate the Church of England's strapline of 'a Christian presence in every community', especially in areas that could not cover the cost of ministry themselves.

The challenge that the PSRG has been wrestling with is, how should we allocate the costs of ministry for a church that is seeking to grow rather than decline over the next five years?

2.6.1 What is the new allocation proposal seeking to address?

The rationale for the new allocation is based on the following factors:

- Greater clarity on the costs of ministry at the parochial level.
- Commitment by parishes to the costs of ministry
- A journey towards financial sustainability for the stipendiary posts across all contexts of the diocese (urban, suburban, outer estates, rural and market towns). The trajectories will reflect differences in context.
- Encouraging generous giving in every parish, though it will look different depending on the context *(In 2023 the average annual amount given per planned giver ranges from £51.67 (lowest) to £1739.28 (highest).*
- Encouraging an emphasis on growth and not subsidising those parishes which are declining without a clear vision to grow numerically, spiritually and, as a result, financially.
- Greater clarity on expectations about where stipendiary posts will be deployed where parishes are planning for growth and financial sustainability.
- Honest conversations that those parishes with no strategy for growth or trajectory towards financial sustainability in relation to ministry costs will not be considered for future stipendiary posts.
- That the trajectory towards full ministry costs will take several years but there will need to be a significant upward change for most parishes between 2025 and 2030.
- Every parish will know the amount for 2025 and the trajectory figures for each year to 2030 (including the assumptions located within the trajectories which may be amended).

2.6.2 What is the new allocation methodology?

It is that ***every parish will have a trajectory towards the new full ministry costs (at least) for the PSPU in which they are situated and know the expected parish share allocation for each year between 2025 and 2030.*** **[Recommendation 7]** The parish share trajectories will, in some cases, be challenging because the previous methods of allocation have not brought into focus how much their PSPU has been subsidised by other parishes or the Diocesan Board of Finance. The new parish trajectories will be challenging but not unachievable. In some cases, they will be linear increases, in others the increase may be lower in 2025 but increase more significantly towards 2030.

The trajectories will recognise that the goal is full ministry costs, but the timing for that achievement will be made in stages: a) to direct ministry costs, b) to direct ministry + direct ministry support costs, c) to direct ministry + direct ministry support costs + developing ministry costs, d) to direct ministry + direct ministry support costs + developing ministry costs + governance and statutory costs.

The diocese will incorporate Lowest Income Community Funding directly at the parish level to offset the total costs of full ministry costs.

2.6.3 What parochial financial figures are being used for the trajectories?

If the parish share trajectories are to be stretching but realistic, what analysis has been done on the financial circumstances for each parish? There are two aspects to the response.

The first aspect is access to robust figures that stand up to scrutiny. As a result of work done by the diocesan finance team, there are numerous examples where parishes annual Finance Return does not correspond to the annual accounts for the same year.

As a result, The PSRG has commissioned a significant piece of work to bring greater accuracy between the annual returns and the annual accounts for every parish for 2021 and 2022. As well as accuracy on the parish's annual expenditure, this work also highlights reserves, whether unrestricted, restricted or designated.

The second aspect is the parish's own giving profile. The commissioned work also highlights a better understanding of a) the number of planned givers (whether giving weekly, monthly, quarterly or annually), b) the amount of average giving per planned giver. Another tool to highlight the scope of giving in a parish is a planned giving profile that shows whether a parish is relying on a few givers, giving generously, such that if they moved or died, it would have a significant impact on the trajectory. It will be important that in every parish there is consistent teaching on financial giving as part of whole-life discipleship.

The analysis has shown that the level of personal giving in most parishes is low, not realistic or apparently sacrificial. That is why the new proposed allocation system needs to be seen in the context of 'Encouraging generosity' - one of the seven areas of focus in the diocesan refresh.

The Church of England encourages parishioners to give 5% of their income to the church alongside giving to charities and other causes. This 5% is broadly equivalent to £1 per week for each £1000 income received. As an example, someone who only receives the full state pension and has no other income would be donating £11 per week (£575 per year). As the figures show in Appendix E, there are few giving at that level in one of our deaneries and the analysis of average giving in 2021 and 2022 bears this out across the diocese.

2.6.4 How will the trajectories figures be decided?

A small group of diocesan staff will be assigned to undertake the creation of the trajectories assessing parochial finances and parochial giving. Different parishes would have different trajectories towards reaching full ministry costs – some achieving it sooner, others taking longer (especially those in receipt of LInC funding).

The primary financial conversations would be between the diocese centrally and the parishes but the deanery would have a role in annual 'moderating' conversations in June, to draw attention to any known issues. The ultimate decision on trajectories will be decided by the parish share team.

2.6.5 Why will there be a parish share amount for each year until 2030?

Financial planning is important at every level. The PSRG believe that it is important that parishes are aware of the parish share amounts so that they can do their own financial planning over a longer period of time, particularly where parishes are addressing lower levels of giving.

2.6.6 Who will pay the Governance and Statutory costs?

For many parishes and the PSPUs they relate to, there will be a significant challenge on the journey towards full ministry costs. As a result, ***the PSRG propose that the Governance and Statutory costs should be funded from diocesan resources until 2030.*** **[Recommendation 8]** However, the point does need to be noted that the diocesan responsibilities towards governance and participation in the national church are a facet of who we are as a diocese (i.e. the collection of all our parishes). Equally, diocesan resources (from which Governance and Statutory costs would be funded) are an extension of the resources 'we' (i.e. the totality of parishes/benefices) steward. As a result, it will be necessary to review by 2030 if the Governance and Statutory costs will be included in all parish share trajectories from 2031 to 2035.

2.6.7 What about those parishes/PSPUs that are currently paying over the current full ministry costs? [See Appendix D for details]

The PSRG reviewed the 10 PSPUs that paid over 2023 full ministry costs. For many, they have a history of generosity in paying parish share. However, the consequence of their generosity is that other PSPUs have not had to embrace or take responsibility for the reality of the costs of ministry. While most of the 10 are in wealthier areas, there is a notable exception (e.g. Brinsley with Underwood and Eastwood whose IMD index would qualify for LInC funding). Equally there are many PSPUs in wealthier areas that are not close to reaching full ministry costs. To put this into the context of the total cost of ministry, the 'over-paying' PSPUs are collectively subsiding over their combined full ministry costs by £365,776 (the equivalent of 4.4 full ministry cost), whereas the DBF and LInC funding are subsiding the remaining 105.6 PSPUs to a greater or lesser extent (as indicated in the table at 2.1.3).

The PSRG considered whether it was fair that those paying over full ministry costs should continue to pay at that level. On the one hand it seemed unfair to create a system that assumed their generosity regardless of other PSPUs taking responsibility (Galatians 6 verse 2). On the other, even those PSPUs paying over full ministry costs might still look at the average giving per person and assess that it didn't reflect generosity, given the income levels of those involved (Galatians 6 verse 5). How do we express that we are part of a diocesan 'family' of churches, who are all taking responsibility no matter what the context?

2.6.8 While PSPUs contributing above full ministry costs do so willingly, is there a way in which it could be recognised relationally as an expression of being part of the family of the diocese?

Are there aspects of diocesan ministry that the amount above full ministry costs could contribute towards? The PSRG propose that it would be motivating and encouraging **to identify what the contributions above full ministry costs were being used towards**, for example a) the cost of church revitalisations and church planting in contexts across the diocese, b) supporting churches in poorer areas that had clear missional plans but who would need longer to reach financial sustainability, c) the costs of developing the leadership pipeline (both lay and ordained). **[Recommendation 9]**

As a result, the PSRG concluded that the new allocation methodology should;

- ***Enable all parishes to take responsibility for the costs of ministry*** that they are receiving.
- ***Encourage generosity in every parish including those in wealthier areas***, where the contribution above full ministry costs is recognised in the narrative of the diocesan annual accounts as supporting ministry across the diocese (as outlined in the paragraph above at 2.6.8).
- ***Enact trajectories*** for all PSPUs such that those currently paying above full ministry costs ***proportionately reduce over time relative to the overall parish share return as other PSPUs take more responsibility for the costs of ministry***. **[Recommendation 10]**

- ***Embed trajectories*** over time ***such that* no *PSPU would be asked for more than one and a half times full ministry costs.*** **[Recommendation 11]**

That said, if additional associate stipendiary posts were agreed for the PSPU it is anticipated that the trajectory would be adjusted to reflect the extra cost categories (i.e. full ministry costs for the incumbent plus direct ministry + direct ministry support for each associate). **[Recommendation 12]**

If each parish has a known financial trajectory between 2025 and 2030, what will the future relationship be between the parish/benefice, deanery and diocese?

2.6.9 Will there continue to be a discount for those who pay parish share in 12 equal instalments?

The PSRG felt there was a presentational problem with the discount that is given. Either the amount needed by the diocese is the total amount asked for, or it isn't. **The PSRG propose that the discount is discontinued. [Recommendation 13]**

2.6.10. Are there any consequences for not paying 100% of the trajectory figure of parish share?

The PSRG considered whether it fell within their remit to suggest consequences. They concluded that it didn't but the PSRG understands that the Bishop's Core Team will outline a) the consequences for parishes that are not reaching their trajectory, b) what interventions and support there will be for parishes falling behind on parish share payments.

2.6.11 Related questions that the PSRG has considered in relation to trajectories.

The PSRG are aware of a range of issues that are raised in conversations about parish share allocation. This will be addressed in Appendix G. These include:

- Should parishes in vacancy receive a discount on their parish share?
- Will the trajectories be modified by the number of church buildings in a PSPU?
- In a multi-parish benefice can the PSPU decide on the total amount of parish share is divided?

2.7 Consider the roles, responsibilities and relationships between the diocese, deaneries, benefices and parishes.

The diocese exists as parishes united together in mission with their diocesan bishop. In one sense there is no such thing as the diocese separate from the parishes. To avoid language that may give the impression of 'us' and 'them', it may be better to speak of the diocese centrally having a role and responsibility in facilitating the mission of the parishes.

The new trajectories for each parish for 2025 to 2030 would be produced by the diocese centrally after an analysis of the parish share record, average amount of planned givers, and average amount given.

Deanery leadership teams would have an important role in conversation with the diocese centrally, in June each year in using their significant local knowledge to moderate the parish share figure already outlined for the following year.

The deanery leadership teams may also suggest ways in which trajectories that need to be adjusted downwards in any given year (due to unforeseen circumstances) may be 'made up' by other parishes in the deanery because of their desire to support each other on the journey towards financial sustainability.

2.7.1 Roles and responsibilities

The ***diocesan central*** role will be:

- To create the parish share trajectory figures for each parish from 2025 to 2030
- To allocate Lowest Income Community Funding directly to parishes
- To explain the rationale for the parish share figures at deanery roadshows in September/October 2024
- To create a suite of resources to help PCCs and congregational members understand what parish share is used for, what is included in the ministry cost categories the parishes current giving profile and average giving per person.
- To organise any follow up conversations about support where parishes are falling behind expected parish share amounts.
- Over time to reduce the subsidy on parish share from DBF resources.

The ***deanery*** *role* will be:

- To act as a channel of communication between the parishes and the diocese and vice versa (e.g. communicating and explaining the principles behind the new trajectory).
- To understand local issues in parishes that might need to be explained to diocesan staff when they feed into conversations with diocesan personnel in June about the final parish share figures for the following year.
- To share with parishes in a deanery if there is likely to be a shortfall for a particular year in a parish, due to unforeseen circumstances, and to relay how the other parishes would like to support to the diocese.

The ***parish/benefice*** role will be:

- To grow in generosity as part of their teaching on discipleship seeing an increase in the number of givers and the average amount given.
- To achieve 100% parish share payment as part of encouraging generosity
- To be in touch with the diocesan finance team if there are issues about payment of parish share and investigate what support can be offered

2.7.2 Relationships - Good relationships will be continue to be a priority at parish, deanery and diocesan central levels.

3. What is the suggested timetable for the introduction of the new methodology? (See Appendix C for more details)

There are three important aspects of implementing the new methodology which the timetable addresses a) The creation of the trajectories, b) the explanation of the new methodology and trajectories which will need a communications strategy, c) ongoing monitoring and review and interventions where they will be necessary.

4. Conclusion

The PSRG offer this report to Bishop's Council. I offer particular thanks to the members of the group for their insights and wisdom.

Ven. Phil Williams (30th May 2024)

Appendix A - What is parish share and why do we pay it? – a biblical and theological perspective - Richard Kellett

The Bible and Parish Share

The way in which we are able to offer mission and ministry across the length and breadth of our diocese is not funded by a tax, hidden investments, or donations from what's left over but rather by something called Parish Share. Resourcing the work of churches in this way follows some key principles we find in Scripture: God's nature as Trinity of Father, Son, and Holy Spirit is to invite us to be in a relationship with Him, *and with one another*. This calling into relationship with one another as exemplified at Pentecost (Acts 2) involves men and women, young and old, across local and national divides. This relationship we call 'church' and we ignore its sheer size if we equate it to a particular place or building. It is God not place that characterises the church; as Paul points out in his opening letters to the Corinthians 'To the church *of* God that *is* in Corinth' (1v2). Elsewhere church is located in cities and across regions (e.g. to the churches of Galatia - Gal 1:2). Putting the place first is like looking through the wrong end of a telescope – we are called to a bigger vision of belonging together. Not only are we drawn into a relationship, but we are also invited to share in God's reconciling mission to the world. Parish Share is one way we act, as disciples of Christ, to fulfil our calling and even reflect God's own relational and missional nature.

Who we are and what we are for

As Christians, we understand our lives first and foremost in the light of our relationship with God. Our identity, who we are, is deeply rooted in *whose* we are. As children of a loving and generous Father, you are invited into a closer and deeper relationship with Him, and are brought together to join with others in Christ as his body, the church:

For just as each of us has one body with many members, and these members do not all have the same function, so in Christ we, though many, form one body, and each member belongs to all the others. (Romans 12:4-5, NIV)

We're not all the same, and not all of our church communities are the same, but, like different parts of the body we each play our own part in ensuring the flourishing of the whole body so that the Living Hope of Jesus can be shared in the city, towns, villages of Nottinghamshire and beyond. Living Hope brings transformation and new life, healing and wholeness; and the local church is uniquely placed to share in every community.

Indeed, the vision of sharing Living Hope will be brought about by pursuing our mission and calling of Growing Disciples of Christ, with Compassion, Confidence and Courage. This mission is an urgent one:

For, "Everyone who calls on the name of the Lord will be saved." How, then, can they call on the one they have not believed in? And how can they believe in the one of whom they have not heard? And how can they *hear without someone preaching to them? And how can anyone preach unless they are sent? As it is written: "How beautiful are the feet of those who bring good news!"* (Romans 10:13-15, NIV)

As a tool which supports the mission of the church, Parish Share is grounded in our calling to share together in a life shaped in response to God's abundant generosity, and the hope we have in Him.

Living together

Parish Share presents an opportunity for each church community, according to their ability, to participate in the financial costs of mission and ministry throughout the Body of Christ across our diocese. In this way, ministry may be sustained in poorer communities where otherwise this would not be possible. There is a mutuality to our belonging to one another, as St Paul writes:

"Our desire is not that others might be relieved while you are hard pressed, but that there might be equality. At the present time your plenty will supply what they need, so that in turn their plenty will supply what you need." (2 Corinthians 8:13-14, NIV)

Abundant generosity

Inevitably, calculations and formulae must be chosen to ensure that Parish Share is fairly requested from each church community to meet the needs of the whole.

In Bishop Paul's talk on Discipleship, Gospel and Generosity[1], he explains that people's giving often starts with personal motivation: we give to do what's necessary to keep the doors open and the activities going that 'keeps the show on the road'. The same can be said of our churches where we limit ourselves to only give to that which serves us.

However, at its heart, Parish Share is a part of our response to the extraordinary generosity of God. His abundant generosity is recalled through the pages of the bible: creation out of nothing, the widow caring for Elijah whose oil never ran out, twelve baskets left over after the 5000 had been fed on five loaves and two fishes and ultimately the giving of his only Son. His abundant generosity is in stark contrast to the human narrative so often portrayed of a world dominated by scarcity and bereft of resources.

We know that as the creator of everything, God is the true owner of everything, and we are simply stewards of all that we have. We are called to be prayerful and sacrificial in our giving, both as individuals and as church communities responding to Parish Share.

[1] Bishop Paul teaching on Discipleship, Gospel & Giving (youtube.com)

"Remember this: Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously. Each of you should give what you have decided in your heart to give, not reluctantly or under compulsion, for God loves a cheerful giver. And God is able to bless you abundantly, so that in all things at all times, having all that you need, you will abound in every good work. As it is written: They have freely scattered their gifts to the poor; their righteousness endures forever." (2 Corinthians 9:6-9, NIV)

To give generously is to be caught up in the overflow of God's grace for, when we give, we reflect the nature of God himself.

Living Hope

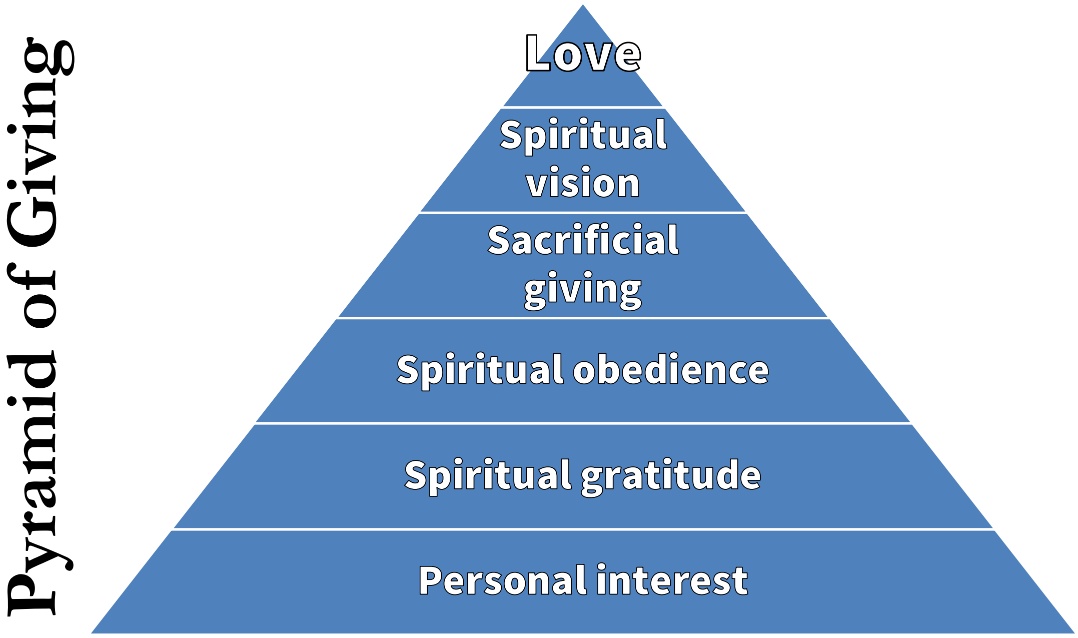
Fundamental to every aspect of Christian discipleship, including financial stewardship and Parish Share, is that our hope is always in the Lord. We look to him to strengthen and guide us, and to provide for our needs. The model for discipleship presented in the Gospels is based upon dependence upon God's provision (Matthew 6:30) rather than upon the building up of levels of reserves by those who can afford, aiming to provide total security for themselves for the future, as in the parable of the rich fool (Luke 12:13-21). There's a stark warning for those who contrive to hold back (Acts 5:1-11)!

The Parish Share principles of mutuality and providing for the needs of all, as opposed to the 'survival of the fittest', are somewhat at odds with many attitudes we might encounter in our 21st Century world. And yet as Christians, we are bound together as members of the Body of Christ, called to live as generous and compassionate disciples of Christ having our confidence in Him and the courage to offer living hope to a desperate and disheartened world. By ensuring that the church may offer ministry beyond those communities which could readily afford it, Parish Share is a means of justice, of true Christ-centred generosity and modelling authentic communities of disciples that will draw others in and into relationship with their heavenly Father.

Appendix A(2)

Discipleship, Gospel and Giving: https://tinyurl.com/39wx3ev3

Bishop Paul uses the model of the pyramid of giving to describe the steps the disciple moves through in their journey of giving.



Appendix B

What will make up full ministry costs?

Full ministry cost will be made up of four cost categories as follows:

Direct ministry costs includes stipend, housing, pension and National Insurance of an incumbent

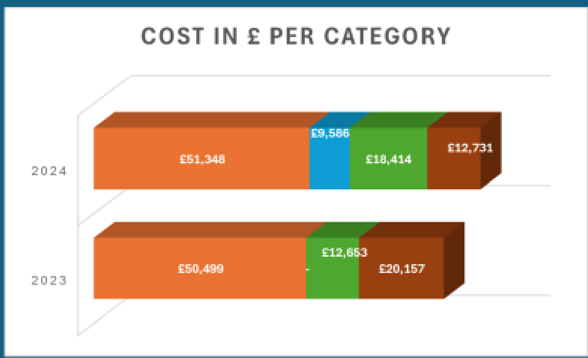
Direct ministry support costs includes Deanery Admin, Archdeacons costs, grants to parishes, clergy training, Safeguarding, school chaplaincy, clergy wellbeing, giving advisor

Developing ministry costs includes the stipends, housing, pension, National Insurance and training of curates, ordinand training costs, lay training costs and the cost of the intern programme

Statutory and Governance costs include Finance, DAC, Registry, Communications, Education and share of national church costs

	2023	2024
Direct Ministry Cost	£50,499	£51,348
Direct Ministry Support	-	£9,586
Developing Ministry	£12,653	£18,414
Governance and Statutory	£20,157	£12,731
	£83,309	**£92,079**

Direct Ministry support category added this year



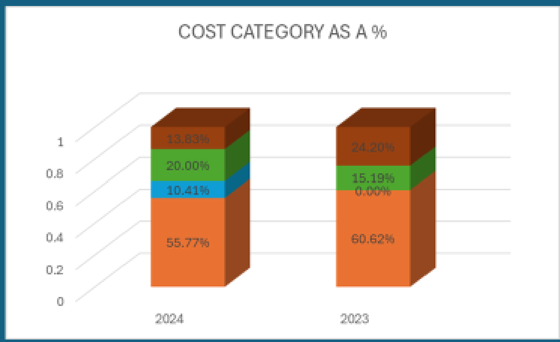
What are the reasons why there is a significant increase in full ministry costs between 2023 and 2024 if allocated on the basis of the new cost categories?

There has been a thorough exploration of the diocesan budgetary cost categories led by the new Finance Director. This means that there will be a consistent framework of understanding from 2025, which was not available previously. Reasons for the increase between 2023 and 2024 include the rate of inflation, energy costs, stipend and salary increase, and especially more interns. The PSRG is grateful to the Chief Executive and the Finance Director for their commitment to transparency, which will help in the communication of the new methodology.

Appendix B (continued)

	2024 %	2023 %
Direct Ministry Cost	56%	61%
Direct Ministry Support	10%	0%
Developing Ministry	20%	15%
Governance and Statutory	14%	24%

Direct Ministry support category added this year



THE CHURCH OF ENGLAND
Diocese of Southwell & Nottingham

Appendix B (continued)

THE CHURCH OF ENGLAND
Diocese of Southwell & Nottingham

			2023			2024		
			Per booklet			Proposed basis		
		#	£	£		£	£	
Direct Ministry costs	Stipend		28,345			29,708		
	Housing allowance		10,712			11,294		
	Pension		7,100			7,502		
	Ers NIC		2,400			2,844		
	CMD		1,942			-		
				50,499	61%		51,348	56%
Direct Ministry support	Archdeacons		-			1,207		
	Growing Disciples Fund		-			862		
	Appointment grants		-			697		
	Sequestration		-			707		
	Clergy & lay training & pastoral provision		-			642		
	Safeguarding		-			2,041		
	School chaplaincy (net of school contributions)		-			1,051		
	D&M staff - Clergy Wellbeing, Youth & Children		-			1,237		
	Giving		-			573		
	Deanery admin		-			570		
							9,586	11%
Developing ministry			9,016					
			3,637					
				12,653	15%		18,414	20%
Governance & Statutory	Parish support (residual is Finance & DAC)		5,828			1,825		
	Governance & communications		4,384			4,528		
	Discipleship & Ministry		3,962			1,299		
	Education		2,199			3,046		
	National church (including CHARM)		1,926			2,032		
	Safeguarding		1,858			-		
				20,157	24%		12,731	13%
Full				83,309			92,078	
PSPU				123			116	

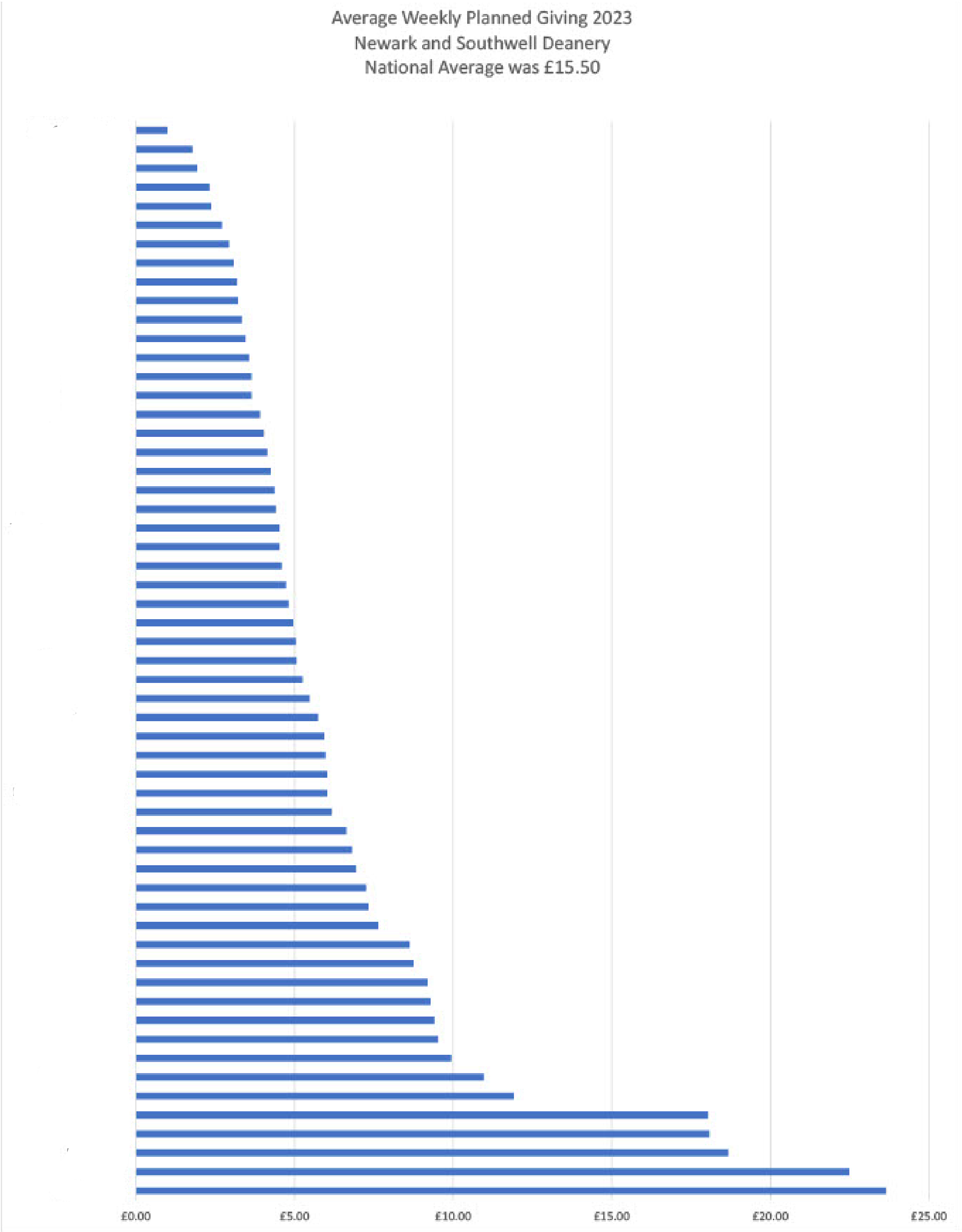
Appendix C – Timetable for introduction of the new methodology

- **By May 31st** – Draft Parish Share trajectories for each parish created along with information on a) average giving per person and b) average amount given c) comparison of each parish vis a vis other parishes in the deanery
- **June 11th** – Bishop's Council discuss PSRG report
- **From June 12th** – Resources created for Deanery Roadshows in Autumn
- **July 15th** – Online briefing for deanery leadership teams on the new methodology and its rationale.
- **After July 15th** Diocesan personnel meet with deanery representatives to discuss the trajectories and confirm them.
- **Mid-September to mid-October** Deanery Roadshows for parish clergy, treasurers and churchwardens to explain the new parish share methodology and resources for encouraging generosity.
- **From January 2025** Parish share project team meet monthly, chaired by the Archdeacon of Nottingham from 2025 to 2028 at least. Group to include archdeacons, Diocesan finance director as regular members and Diocesan Chief Executive, Director of Communications, and the Director of Discipleship & Ministry by invitation.
- **June 2025** - Diocesan personnel meeting with deanery representatives to discuss the 2026 trajectories and confirm them.
- **March of each year** - Annual Review of Parish Share Trajectories by Finance Committee

Appendix D – 10 PSPUs contributing above full ministry costs of £83,309 in 2023

	No of Buildings	**Parish share paid in 2023**	**% paid against full 2023 ministry costs**
Gamston, St Luke's and Edwalton, Holy Rood	2	£195,288	234%
Chilwell, Christ Church & Inham Nook	2	£146,030	175%
East Leake Benefice	5	£121,198	145%
West Bridgford, St Giles	1	£119,000	143%
Wollaton, St Leonard's	1	£117,412	141%
Nottingham St Nic's	1	£113,992	137%
Ravenshead, St Peter's	1	£111,707	134%
Brinsley w Underwood & Eastwood	3	£95,978	115%
Radcliffe & Shelford	2	£89,443	107%
Mansfield, St Peter and St Paul	1	£88,818	107%
TOTAL		**£1,198,866**	

Appendix E - Example of comparative deanery chart showing average amount given per person



We have removed the names of the parishes down the left hand side of this chart, as the Appendix is included to illustrate the breadth and nature of average giving across a deanery

The PSRG was grateful for this example which had been produced by Alison Slinger. It helped to indicate the parishes where average giving was lower and enabled constructive conversations in her deanery. It is envisaged that a version of this could be produced for each parish to show where they are in relation to the deanery without necessarily including the names of other parishes.

Appendix F – Information on the Younger Leadership Programme Intern Programme & Apprentice Track

2016-17 - 9 interns, 3 of whom went on to ordination training. 2 more went on to non-ordained church ministry.

2017-18 - 7 interns, 2 of whom went on to ordination training.

2018-19 - 13 interns, 1 of whom went on to ordination training. 1 more went on to non-ordained church ministry.

2019-20 - 13 interns, 2 of whom went on to ordination training. 1 more went on to non-ordained church ministry.

12 more took part in The Apprentice Track programme. Of these, 2 more went on to non-ordained church ministry.

2020-21 - 9 interns, 3 of whom went on to ordination training. 2 more went on to non-ordained church ministry.

16 more took part in The Apprentice Track programme.

2021-22 - 13 interns. 4 of these went on to do a Second Year Internship.

11 more took part in The Apprentice Track programme.

2022-23 - 18 First Year interns 2 of whom went on to non-ordained church ministry.

5 of these went on to do a Second Year Internship.

4 Second Years. 1 of whom went on to ordained ministry. 2 of whom went on to non-ordained church ministry.

6 more took part in The Apprentice Track programme.

2023-24 - 17 First Year interns.

5 Second Year interns. 1 of whom has gone on to non-ordained church ministry.

Summary

Since 2016 until now (March 2024), 99 people have taken part in the Internship Programme (year 1). Of those, 12 people have gone on to ordination training. 12 have gone on to take non-ordained roles in church ministry.

9 people have taken part / are taking part in the Second-Year internship. Of these, 1 has gone on to ordination training, and 3 have gone on to non-ordained ministry.

45 people have taken part in The Apprentice Track programme only.

2 people have taken part in The Leadership Track programme only.

After completing the diocesan internship programme, former interns have become involved in lay roles as children and youth work youth leaders, student ministry, worship leaders, operations, compassion, refugee and outreach ministries.

Appendix G - Issues the parish share group have considered as a result of questions posed to them?

What will be the impact on the parish share trajectories of PSPUs with multiple church buildings?

The PSRG have borne in mind the diocesan vision for growth rather than managing decline (on the one hand), and the financial realities of where parishes are now (on the other). With many small and ageing congregations in rural areas, the responsibilities of church buildings do have an impact on financial challenges. It is also true that the cost of stipendiary ministry does not change no matter how many church buildings there are or the number of regular attendees. The argument that is sometimes made is that parish share expectations on multi-building PSPUs in rural areas should be limited, regardless of the financial realities of ministerial costs. As the diocese develops its' plan for rural revitalisation, the intention is that stipendiary costs are not reduced in rural areas. For that to happen, there must be a balance between sacrificial generosity and ministerial costs, even where non-attending villagers are also prepared to contribute. The PSRG expect that the trajectories towards full ministry costs will bear a range of factors in mind, including the level of giving, the commitment to growth, the ministerial costs, but not ignoring the number of people attending and the number of buildings in the benefice or PSPU.

Will there be the same level of expectation in the trajectories regardless of the size of the congregations?

Similar to the previous question, the costs of stipendiary ministry are the same regardless of the number of attendees (as it was with the number of buildings). As a diocese we are seeking to maintain and preferably increase stipendiary ministry over the coming years if financial sustainability is established. The analysis of current giving levels and the challenge of realistic trajectories need to be faced in the context of a multi-year approach. Help for PCCs on their growing disciples plans is part of the diocesan support through the Archdeaconry team in conjunction with the Discipleship and Ministry Team and programme Management Office (PMO).

Why are vacant churches being asked to pay towards full ministry costs when they are reducing the direct ministry costs in the diocesan budget while the parish is in vacancy?

In a vacancy, the parish will be receiving ministerial funding for the provision of services that they do not have to pay as it is through sequestration funds. In addition, parishes in vacancy will also be receiving direct ministry support and developing ministry costs (e.g. safeguarding, training in lay ministry, training for clergy etc) even if they have no stipendiary clergy themselves. Therefore, there is a balance to be had between the parish share allocated for ministry received, and ministry that is anticipated in the coming years.

Should there be a discount for parishes in vacancy?

Nationally, it is a challenging time for attracting and deploying clergy across all contexts. As a result, vacancies are taking longer than anticipated to fill. The PSRG recognised that the lack of appointments sometimes create resentment in paying parish share when not receiving the stipendiary leadership. However, if the amount of parish share were significantly reduced due to a vacancy as a discount, is it likely that the parish/es in the PSPU would be able to increase it back to where it needs when an appointment is made? The evidence seems to indicate that reductions in parish share are difficult then to turn around. As vacancies are filled throughout the year, it would be difficult to have a parish share trajectory that was based on not appointing, when the intention is **to** appoint, if there are suitable candidates.

If a parish/PSPU is responsible for the mission in its parish/es, why should more parish share be paid at the expense of paying for other staff or mission funding in the parish/es of the PSPU?

While other denominations to have a national network of local churches, the Church of England expresses itself around the 42 dioceses. Each parish is connected to, and under the authority of, its diocesan bishop such that at the licensing of the incumbent it is explicitly stated liturgically by the bishop that the responsibility 'for the cure of souls' in the parish/benefice 'is both yours and mine' – i.e. there is a shared responsibility for mission and ministry that comes from the bishop. By being connected to the diocesan bishop, each parish/benefice is also connected to all other parishes in the diocese. This relationship to the bishop across parishes in poorer areas and richer ones establishes a picture that mission and ministry is a network of relationships. As a result, parish share becomes an expression of mission. This diocese is focussed on growing disciples in every parish whatever the context. Through the parish share trajectories it is also encouraging every parish to take financial responsibility for the ministry it receives, while also recognising that some parishes/PSPUs in more deprived areas are likely to need support

How will the impact of the incumbent becoming/being area dean affect PSPU trajectories?

Prior to 2016, the ministerial impact for a parish of their incumbent becoming area dean was factored into the parish share formula as a 0.3 contribution across the whole deanery to the ministry received. However, this has not been used in recent years. Area deans are commissioned for three years and can change during and after the three years. Equally, some area deans do not hold a parochial stipendiary post. As the parish share trajectories are looking to 2030 as a staging point on the journey to 2035, it would be difficult to create a trajectory that assumes the ministerial impact of an area dean who may only fulfil that role for a few years within that 10-year time period.

Does every parish/benefice know which PSPU it will be in?

Another question that would help vacant parishes is more clarity on whether there is a difference of understanding between the parish and the diocese about which PSPU the parish is part of and whether the parish is realistically going to have a stipendiary clergy person in their own right or whether it will be part of the overall ministerial resources that are shared through the costs of ministry exercised by stipendiary clergy, retired clergy with PTO, licensed lay ministers and other authorised or commissioned ministries.

Could a parish move from one PSPU to another PSPU through the rural revitalisation process, in such a way that it affected the trajectory upwards or downwards?

It is possible that the grouping of parishes in a PSPU might change. Theoretically, that could affect the proportion paid of parish share in the PSPU. This is most likely in smaller rural parishes but could also be true of PSPUs in other contexts. As the plans for rural revitalisation are being worked through as part of the refreshed diocesan vision, it is too early to say whether this question will need to be addressed in reality, and if so how the trajectory would managed.

Are parishes in vacancy paying twice if they pay parish share but also contribute occasional office fees towards stipends?

It is unlikely that this scenario affects many parishes that have such a high level of occasional offices that the total of the 1/3 fees paid to DBF plus parish share paid (as part of a PSPU) is greater than full ministry costs. [This assumes that retired clergy with PTO are receiving 2/3rd fees.]

We would like to continue to receive our parish share allocation as a benefice/PSPU and then divide it ourselves. Is that possible?

There will be some parishes in a multi-parish benefice that have a well-established and agreed practice of receiving the parish share figures for the benefice which are then discussed and agreement is reached on the final amount for each parish. This comes from excellent relationships often built up over time. If this is the case, it makes sense that this 'self-moderation' across the benefice is affirmed, even though each parish will receive its' own trajectory based on the financial analysis. However, if the trajectories are not reaching full ministry costs such that the PSPU is on a significant upward journey, an analysis of the giving in each parish would be beneficial. If not, there could be the same issue found in the current system 'writ small', that some parishes in a PSPU are disproportionately contributing more (perhaps because they have done historically), and there isn't a robust conversation about the levels of giving in the other parishes. It is also true to say that not every PSPU has such a good working relationship between the parishes and so it would be unwise to create an understanding that all PSPUs must divide the total parish share for the PSPU.

Should parishes with larger reserves pay more in parish share?

It is generally considered good practice to hold between three and six months in reserves as part of a reserves policy unless there are particular reasons for holding a greater amount to fulfil their aims and objects as set out to the Charity Commission. Sometimes it is not always clear why PCCs hold a higher level of reserves when there is no obvious intended use. Anecdotally, there are stories where parishes have encouraged givers to contribute to a specific fund, e.g. fabric, rather than as an unrestricted donation that could be used to contribute to parish share. There is an irony here – in that there can be a parochial expectation of ministerial support provided by the diocese, while the PCC sustains a financial strategy that prioritises buildings rather than the resources to facilitate the mission of the parish. When other parishes in a deanery are committed to, and deliver, 100% parish share payment and they have no reserves, diverting donations undermines trust. As a result, there is a balance to be held between being part of the family of the diocese with the financial responsibilities that go with ministry across all contexts (on the one hand) and the responsibility of PCC members as Trustees responsible and accountable for the mission of their parish (on the other). As a result, communication between diocesan staff and parishes representatives are crucial so that there can be appropriate challenge about the appropriate trajectory figures.

Why are the trajectories focussed on each PSPU achieving full ministry costs when a) if all PSPUs paid in full, the amount generated would be larger than the expenditure in the DBF budget b) there are diocesan investments and other funding from the Archbishops' Council that can be used to fund some costs?

a) In one sense, this is only a theoretical question because, as the table shows at 2.1.3, there were only 10 PSPUs in 2023 that contributed full ministry costs and above. The diocese is prepared to invest in growth by maintaining the current level of stipendiary posts, even though this level of DBF cannot be maintained indefinitely. Financial sustainability in the next 10 years, without external funding, has to be the goal. While it is likely that the Archbishops' Council will continue to fund dioceses over the next 10 years, it is unwise to assume their automatic financial support. If full ministry costs are achieved by all PSPUs, it would allow for additional DBF investment to be made in parishes to support their mission and ministry.

b) The diocese currently receives funding from the Archbishops' Council in relation to Low Income Communities Funding and programme specific funding such as Strategic Development Funding (SDF). The former is related to deprivation and the latter is something that the diocese applied for, with an expectation that after the investment period ceases, the costs would be borne locally by parishes or the diocese. Sustainability was built into the expectations. As the funding cycle of the Archbishops' Council cannot be guaranteed into the future, it is necessary to plan towards financial sustainability. Diocesan investments are carefully managed to support and subsidise mission and ministry in the diocese. The proposals enclosed in this report highlight examples of diocesan transitional financial support, for example paying the Governance and Statutory costs from 2025 to 2030 and the projected subsidy where ministry costs are not being met by PSPUs. This transitional support will enable the majority of parishes to address their parish share trajectories without the concern that reductions in stipendiary ministry might have to be made or recruitment 'paused' to vacant PSPUs.

Appendix H - Members of the Parish Share Review Group (in alphabetical order)

Canon Michael Arlington (Chair of Finance Committee)

Revd Zoe Burton (Area Dean of Mansfield)

Martin Cooper (Diocesan Chief Executive)

Revd. Sam Hustwayte (Member of Finance Committee as Chair of the House of Clergy)

Revd. Canon Dr Richard Kellett (Associate Archdeacon and Area Dean of Newstead)

Katrina Proctor (Diocesan Director of Finance)

Ven. Tors Ramsey (Archdeacon of Newark)

Alison Slinger (Finance Committee member and former deanery treasurer and treasurer for a number of parishes)

Gary Stephenson (Member of Finance Committee and former Deanery Treasurer for Nottingham South)

Ven. Phil Williams (Chair of the PSRG and Archdeacon of Nottingham)