

## Common Fund Consultation -Phase 2 briefing

April 2024

### Foreword

Firstly, I wanted to thank everyone who engaged with the first phase of the consultation. As you will know we are facing a financial challenge across our diocese. This is a challenge that we all need to tackle together, and the level of engagement and the considered feedback we have received is allowing us to do just that.

All of the feedback has been read and while it would be impossible to share all of that with you, I hope the following is a helpful summary. As we enter the next stage of the consultation period, I also wanted to share the resulting recommendations from the Common Fund Committee and Bishops Staff, and an overview of what we will be asking you to consider in Phase Two.

You will have the opportunity to respond to this feedback during our Phase Two gatherings. You will hopefully already know these take place:

- In Wells Archdeaconry on the evening of Monday, 15 April at Holy Trinity Church Yeovil
- In Bath Archdeaconry on the evening of Tuesday, 16 April at St Nicholas' Church Radstock
- In Taunton Archdeaconry on the evening of Thursday, 18 April at St John's Church, Taunton
- On Zoom on the morning of Monday, 22 April
- On Zoom on the evening of Thursday, 25 April

If you would like to attend, but have not yet signed up please [click to register for one of the sessions.](#)

**Adrian Youings**

Archdeacon of Bath, and Chair of the Common Fund Committee

## Summary of feedback received from Phase 1

Number of attendees	522
Number of feedback forms received	218 (42% of attendees)

In addition, several responses were received directly, rather than via the official form. Some shared their individual views, some shared those of the PCC as a whole and, in one instance, a Deanery Synod sent a joint response.

	Yes (%)	No (%)
Agree with the 4 foundational principles	94	6
Agree with Ministry Cost as starting point	80	20
Agree Part B is apportioned according to worshipping numbers	82	18
Agree to creation of a Part C 'generosity pot'	88	12
Add a Part C percentage to all parishes	75	25

## Themes, questions and concerns

We sought the views from across the diocese and received feedback from different perspectives and in relation to different issues:

### Views from laity

- Some people feel they are already doing all that they can do, they feel "maxed out"
- What happens if we can't afford to pay?
- Is the diocese passing the financial problem down to PCCs?
- What will it actually mean for us? What are our numbers?

### Views from clergy

Some expressed concerns about expectations being placed upon them, for example, will they have to worry about:

- Time apportionment in multi-parish benefices
- Whether they are considered 'value for money' by PCCs

### Views from Magnificat parishes

Concerns were expressed about:

- Whether the level of support will be enough.
- 'Are we really valued in the diocese?'

- What will happen in benefice which has a mix of Magnificat and non-Magnificat parishes.
- The language being used to describe Magnificat parishes. They may be financially challenged, but they are blessed in many other ways and not deprived.

### Views from rural areas

Clarification was sought on:

- What is meant by rural sparsity and which benefices are would fall into that category.
- What factors would be considered for determining rural sparsity (some suggestions included in the feedback include number of churches, size of churches, distances travelled by clergy).
- What data would be used to define rural sparsity.
- What data sets accurately capture the reality of our congregation/givers. "Our congregation may not be typical of the local population, or may be gathered."

### Concerns over the dynamic of benefice versus parish

- Will we offer guidance on how the share is apportioned between parishes?
- Will this create conflict? Will there be support?
- What if one parish 'defaults'? Are other parishes expected to make up 'shortfall'?
- There are known anomalies e.g. where one incumbent oversees two benefices; where a benefice hosts a BMO with same incumbent. What happens in this situation?

### Views on Part A

- Cost in the currently rare situation where an OSSM is incumbent of a benefice.
- Concern about our use of 'part-time' language.
- A small number feel we should keep the current method of allocation and work harder. to get parishes to pay. Some feel larger parishes should support smaller parishes to the degree they do now.

### Views on Part B

- What number/data source will be used for worshipping numbers?
- Not enough has been done to minimise the costs especially central costs.
- How do Bath and Wells 'overheads' compare to other dioceses?

### Views on Part C

The main concern is about who is to be supported and to what degree.

Some feel that when parishes are already struggling to meet their share requests, it is unfair to also ask them to be generous to others.

## Summary

There is a general consensus that we should move forward with developing this proposal further, on the basis of the principles shared, whilst seeking to address certain issues and concerns.

Very few workable alternative suggestions were offered during the consultation – the most common alternative was to keep the current method, with greater transparency on costs, use of objective data and to work more effectively to collect the money. However, as stated in the phase one consultations, there are shortcomings with the current methodology and so the CFC determined that the phase two consultation should focus on further aspects of this proposal.

## Proposal for Phase 2 consultation and discussion

In the light of the feedback received, the Common Fund Committee (CFC) has continued to develop the proposal as presented. The following is a summary of their clarifications, changes and some options to consider in the second phase of consultation.

### Part A

1. The main concerns related to what can be termed 'anomalies' which by their nature don't quite fit the norm. For example, a benefice where the incumbent is an Ordained Self-Supporting Minister (OSSM), carrying no ministry cost except for a small amount for training. Or where there are two part-time posts as part of a deanery plan and the cost of two houses to consider.

These cases will be reviewed on a case-by-case basis working with those benefices and deaneries.

2. It is recommended that there is some relief to Part A cost where a vacancy extends beyond 18 months. The extent of that relief will require some further work.

### Part B

1. The Common Fund Committee (CFC) recommend using the Average Weekly Attendance from the Stats for Mission form requested by the Church of England Statistics Unit. Unfortunately, this is not a number that is asked for independently on the form. The number recorded is a calculated average of October count figures, that could be influenced by large events such as funerals.

It is therefore proposed that Usual Sunday Attendance (USA) is used instead. No number is perfect, but it was felt this was the best fit in ensuring that the number used was recognised by the benefice and didn't land more admin on a parish/benefice. The numbers are also easily accessible to view online on the parish returns website. This helps to keep the method as transparent as possible.

The situation will be monitored to ensure we understand number anomalies and large variations between Usual Sunday Attendance and October Average Weekly Attendance or worshipping community numbers.

A five-year rolling average to smooth changes in USA is recommended.

2. It is recommended that students are counted as 0.25 of a worshipper due to their comparative lack of income – we recognise we will need to engage with our very small number of student churches on adjusting their numbers/calculation.

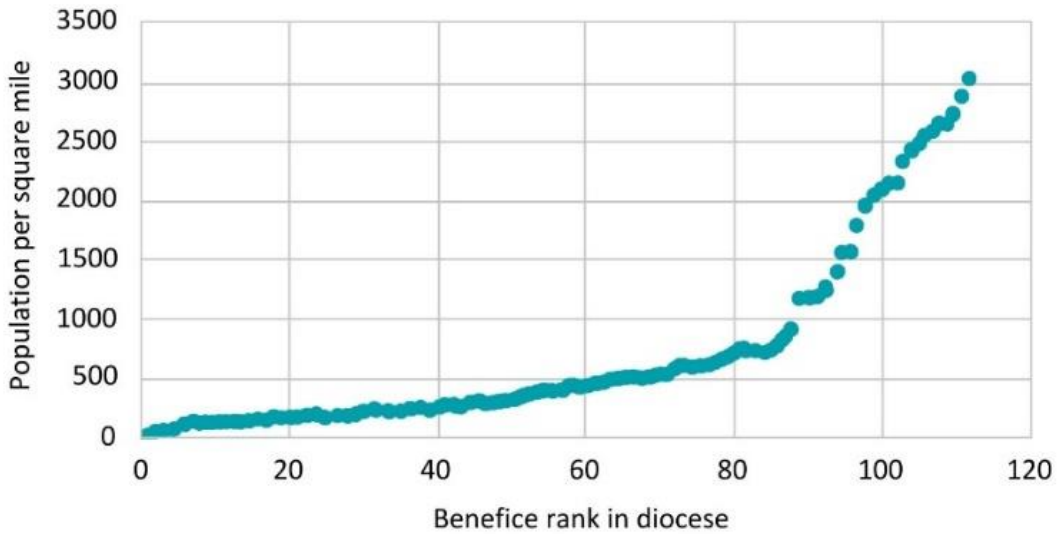
3. Based on current costs, the current part B contribution would be approximately £140 per worshipper per year. This will of course change year on year according to inflation etc.

## Part C

1. It has been suggested that we consider using 'mutuality' rather than 'generosity' to describe the Part C pot to more accurately reflect the foundational principles of our methodology.
2. It is recommended that everyone be requested to contribute to the Mutuality Pot. While the responses support that approach, the CFC were concerned about the voice of Magnificat parishes and raised it with the committee's Magnificat representative. It is not presumed that Magnificat parishes can't or don't want to be generous, however, it is recommended that it be made clear on the request letter to Magnificat parishes that making a contribution to the Mutuality Pot is optional.
3. It is recommended that support is offered, through Part C, to areas of deprivation/disadvantage and rural sparsity. The committee is consulting with the Magnificat group of parishes to ensure the appropriate language is used to describe deprived/disadvantaged communities.
4. It is recommended that objective accessible data is used to define rural sparsity, namely 'population per square mile'. This is available for all parishes to review on [ArcGIS, the Church of England parish mapping website](#). Other considerations were reviewed, such as number of churches, mileage for priest and size of churches, but as they are less objective and transparent they have not been recommended for use. The CFC recognised that the number of churches in multi-parish benefices is a very real issue but felt it was better addressed through a separate buildings strategy.

As the following graph illustrates, our diocese is significantly rural, with over half of our benefices averaging less than 500 people per square mile. In light of this, it is recommended that only benefices with less than 100 people per square mile should receive additional support beyond what will be received according to their position on the Indices of Multiple Deprivation (IMD).

### Rural sparsity in the Diocese of Bath and Wells



- In respect to deprivation data, the use of Indices of Multiple Deprivation (IMD) is recommended. Other methods were considered, especially those that are more income-focused, however, IMD data is objective data which can be easily accessed by benefices via the same online source as rural sparsity. This supports the aim for the methodology not only to be objective, but also transparent.

For all benefices, including mixed benefices which are made up of Magnificat and non-Magnificat parishes, the use of a weighted average utilising the IMD and population figures for parishes within the benefice is recommended.

- After carrying out modelling for offering support to different proportions of our benefices the recommendation is that support is offered to the most disadvantaged 30% of benefices, according to IMD data, as illustrated in the following graph.

### IMD ranking of benefices in the Diocese of Bath & Wells



7. It is recommended that £1m is offered to the 30% most disadvantaged benefices. This would result in a Part C Mutuality Pot contribution of 13.5% for all benefices. Note: all rurally sparse benefices (those with less than 100 people per square mile) all fall within the 30% most disadvantaged in our diocese, and will, therefore, automatically be eligible for support.
8. Regardless of what percentage of benefices receive support, a sliding scale of support for those who are eligible is recommended. That is, greater support is given for those benefices who have a lower IMD weighted rank. To further reduce the financial burden on Magnificat parishes/benefices, it is recommended that LinC funding and Benefact Trust monies are used.
9. Those benefices eligible for support would be told on their request letter what that level of support is, and it will be for them to indicate if they would like to take up the offer. They would not have to apply for that financial support. Alongside this financial support, discussions around additional support will take place on mission focus, approaches to giving and funding, and longer-term viability, as appropriate.

## General concerns

### Obtaining benefice figures

While the CFC fully understands the desire for individuals to know their benefice numbers/ amount, it is not possible to provide that to all benefices in the Phase 2 consultation. However, benefices can gain an indication of their figure using the information available for Parts A and B. Some worked examples are included in Appendix 1 to provide further insight.

### Managing the changes across the benefice

Clear guidance will be given on how the share can be apportioned between each parish. This may be based on relative numbers of regular worshippers and relative IMD data of parishes.

It is recognised that moving to a benefice share model will involve parishes communicating well together and valuing and supporting one another's life and ministry. The deanery and parish support team will be available to support benefices in any discussions they may need to have as they consider their benefice's share request.

Where one parish shortfalls, it will not automatically be expected that the other parishes will make up the shortfall, but a conversation with the archdeacon and deanery and parish support team would be an appropriate next step, as shortfalls will be required to be covered by our Common Fund.



## Not being able to pay

As currently, if a benefice is concerned that is unable to pay the amount requested, they are recommended to have a discussion with the archdeacon, finance team and deanery and parish support team at an early stage to explore possible ways forward.

## Transition to a new method

Careful thought has been given as to how we might transition to the proposed method. One option is to simply move to it immediately in 2025. However, this raised two concerns:

1. A significant shortfall in parish share receipts is already being experienced and only the sale of assets, for example houses, is allowing the books to be balanced. With no more houses available to sell to plug the gap by the end of 2026, a sharp change to a new system may be financially perilous for the diocese.
2. There is a desire to keep the level of support offered to benefices at a reasonable level by proposing £1m of support to the 30% most disadvantaged benefices. This means a large number of benefices will see an increase in ask compared to the current parish share system. It will take some time, planning and work for these benefices to begin to increase their levels of giving and fundraising.

Therefore, it is felt that a phased transition, over a five-year period should be adopted.

Benefices who will see a net reduction in their share request under the new method, will be requested to phase in that reduction by 20% increments over the five-year period. For example, if a benefice was due to see a reduction of £10,000 under the new method, then they would get a reduction of £2,000 in year 1, £4,000 in year 2 etc until the full reduction of £10,000 in year 5. Note: inflationary increases across those years will impact the precise figures.

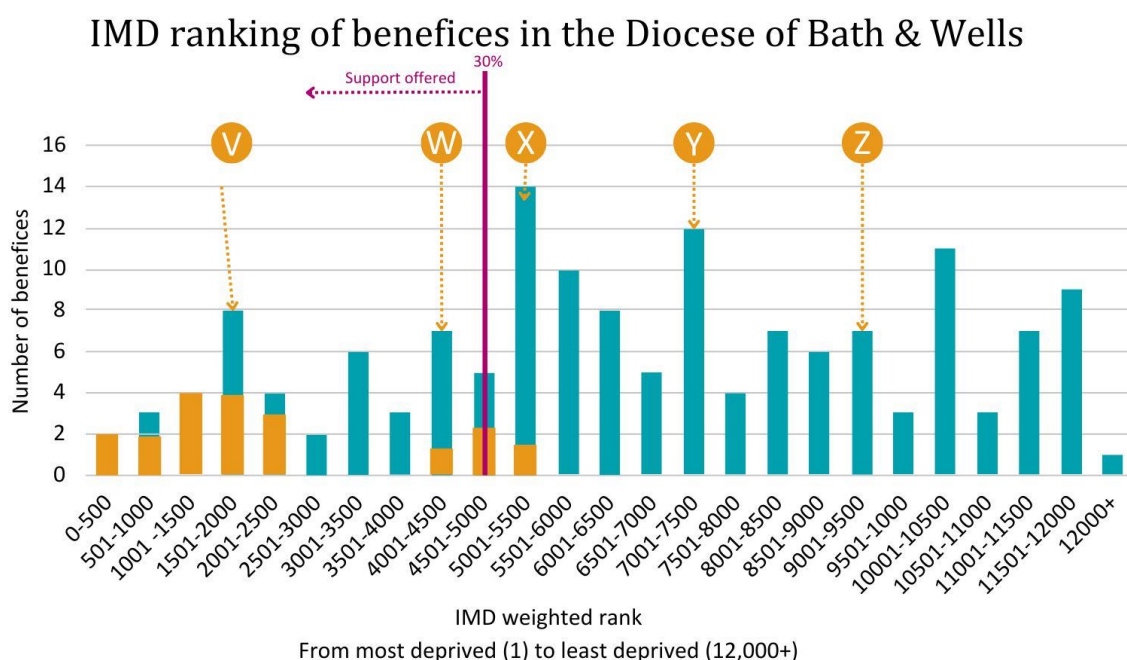
Those benefices who will see a net increase in their share request under the new method, will be asked, with support from diocesan support services, to create a clear plan to help them to achieve the new level over that 5-year period. If it looks as if a benefice will struggle to reach the new levels of share requested, the benefice should engage as soon as possible with their archdeacon and their deanery and parish support adviser to review the implications and the options.

## Appendix 1: Worked examples

Throughout phase one of the consultation benefices indicated that they were keen to know the precise details of how this method impacts them. Although Parts A and B can be estimated using the information provided in this document, since we are still in a consultation phase and the method is yet to be finalised, we are unable to offer that level of detail. The following indicative worked examples are offered to give further insight.

The worked examples are based on the following assumptions:

- Support is being given to benefices who are the 30% most disadvantaged in Bath and Wells, based on weighted IMD rank
- £1m of support is given to these benefices
- A 13.5% mutuality contribution (Part C)



The orange sections in the graph above identify the position of benefices which include our Magnificat parishes in the weighted IMD ranking.

The burgundy line identifies the 30% point. Benefices to the left of the line have more indicators of deprivation identified through IMD and will therefore be offered relief.

## Illustration of benefices

### V Benefice – falls within the 15% most disadvantaged in our diocese

- Weighted IMD figure: 1,867
- Usual Sunday Attendance: 92
- This benefice does not include a Magnificat parish

### **W Benefice – falls within the 30% most disadvantaged in our diocese**

- Weighted IMD figure: 4,398
- Usual Sunday attendance: 92
- This benefice does not include a Magnificat parish

### **X Benefice – falls just outside agreed supported benefices**

- Weighted IMD figure: 5,181
- Usual Sunday Attendance: 113

This is a mixed benefice which includes a Magnificat parish. While the benefice as whole will not receive support from the Mutuality Pot, the Magnificat Parish will be eligible for separate LiNC/Benefact Fund support.

### **Y Benefice – falls outside the mid-point for Bath and Wells benefices**

- Weighted IMD figure: 7,029
- Usual Sunday Attendance:81

### **Z Benefice Z: sits in the upper 25% for Bath and Wells benefices**

- Weighted IMD figure: 9,242 (Upper 25% of the diocese)
- Usual Sunday Attendance: 140

### **Example calculations illustrating benefices with differing IMD ranking:**

	<b>V Benefice</b>	<b>W Benefice</b>	<b>X Benefice</b>	<b>Y Benefice</b>	<b>Z Benefice</b>
<b>Usual Sunday Attendance (USA)</b>	<b>92</b>	<b>92</b>	<b>113</b>	<b>81</b>	<b>140</b>
<b>Part A</b>	£55,500	£55,500	£55,500	£55,500	£55,500
<b>Part B</b>	£12,880	£12,880	£15,820	£11,340	£19,600
<b>Total A+B</b>	<b>£68,380</b>	<b>£68,380</b>	<b>£71,320</b>	<b>£66,840</b>	<b>£75,100</b>
<b>Part C (13.5%)</b>	£9,231	£9,231	£9,628	£9,023	£10,139
<b>Part A+B+C</b>	<b>£77,611</b>	<b>£77,611</b>	<b>£80,948</b>	<b>£75,863</b>	<b>£85,239</b>
<b>Mutuality support available</b>	(£31,420)	(£6,489)	- *	-	-
<b>Benefice Share</b>	<b>£46,191</b>	<b>£71,122</b>	<b>£80,948</b>	<b>£75,863</b>	<b>£85,239</b>

\* Additional LiNC or Benefact Trust funds are available to provide support to support giving an attainable Benefice Share figure for the benefice.

Example calculations illustrating other factors:

	Low Attendance	High attendance	House for duty	Part stipend (0.5)
Usual Sunday Attendance (USA)	43	241	35	60
Part A	£55,500	£55,500	£16,750	£35,000
Part B	£6,020	£33,740	£4,900	£8,400
<b>Total A+B</b>	<b>£61,520</b>	<b>£89,240</b>	<b>£21,650</b>	<b>£43,400</b>
Part C (13.5%)	£8,305	£12,047	£2,923	£5,859
<b>Part A+B+C</b>	<b>£69,825</b>	<b>£101,287</b>	<b>£24,573</b>	<b>£49,259</b>
Mutuality support available	(£27,462)	-	-	(£1,806)
<b>Benefice Share</b>	<b>£42,363</b>	<b>£101,287</b>	<b>£24,573</b>	<b>£47,453</b>

## Appendix 2: Timetable

- |                                 |                       |
|---------------------------------|-----------------------|
| ✓ Phase one consultation        | 29 January to 9 March |
| ✓ Common Fund Committee (CFC)   | 18 March              |
| ✓ Finance Group (FG)            | 20 March              |
| ✓ Bishops Council (BC)          | 16 April              |
| <br>                            |                       |
| • <b>Phase two consultation</b> | <b>April 2024</b>     |
| • CFC, FG and BC                | 30 April to 19 June   |
| • Diocesan Synod                | 10 July               |
| • Synod decision communicated   | From 10 July          |
| • Common Fund requests issued   | Autumn 2024           |