

THE FAMILY OF THE DIOCESE

For a considerable number of years Southwark Diocese has sought to share its costs as a family as fairly as possible. We have endeavoured not to make impossible financial calls on poorer parishes, whilst encouraging them to improve their income where this seems possible so that they may be able to make a fairer contribution to the family purse. We have sought larger contributions from wealthier parishes without overburdening a parish because its members have high giving standards.

This has been done to foster the New Testament Church's desire to share one another's burdens with each member parish contributing according to its ability. The objective has been a practical means of making assessments on parishes which can be seen to be fair and effective in sharing expenditure.



FAIRER SHARES

It is now over twenty five years since an assessment system based on a comparative measure of potential income was introduced. Changes have been made as ways have been found to improve the fairness of the system.

For most of the period surveys have been conducted on a rolling review basis over a three year period, involving two Archdeaconries in different Episcopal Areas each year.

Provision has also been made, where appropriate, for parishes in other parts of the Diocese to be included where a significant change calls for earlier re-examination than the normal three-year cycle.

The objective of this booklet is to summarise the operation of the system.

POTENTIAL INCOME

In order to come to an agreed figure which each parish might be asked to contribute towards the funding of Diocesan expenditure it is necessary to estimate the income which could reasonably be available to a parish from direct giving in a particular year. In order to do this two elements are necessary:

- ♦ an estimate of membership, which is equitable compared with other parishes.
- ♦ an estimate of the average level of giving which can reasonably be expected from the congregation. This should reflect the financial profile of the congregation.

THE METHOD DESCRIBED

a) The Survey Form

Each Parish is asked to complete a questionnaire. The answers are collated to form an up to date picture of the parts of the Diocese which are being surveyed.

SAMPLE QUESTIONNAIRE:

PARISH: **DEANERY:**

The object of the questionnaire is to provide as much background information as possible for the interviewers when they come to the parish within the next few months. They will be able to discuss fully the uncertainties and peculiarities of the parish during the interview. It may not be possible to give precise answers to all questions.

It is essential that a small working party of PCC members including the incumbent is involved in all stages of assembling the information to complete this questionnaire. The (A4) master copy is to be returned to the Diocesan Office by 15th May 2009. A copy should be retained for reference during the interview.

If you have any difficulties please contact John Henson (020 8942 1279 or e-mail: john.henson@southwark.anglican.org).

e) Computing the Potential

The Agreed Membership Figure is multiplied by the PIC Rate to arrive at the appropriate estimate of potential assessable income for the parish.

f) Phasing-in

Where, following a re-survey of a parish, an unusually large increase in assessable income would result, it is usual for the consequent increase in assessment to be phased-in. This is now effected by means of a phasing-in allowance designed to limit the increase year on year to an agreed percentage. (For 2005/6/7 this was 12% but from 2008 is in a range from 12% to 18% depending on the size of the gap between the current level of assessment and the full calculated amount.) Thus the initial full calculated amount is reduced by the phasing-in allowance to give the final assessment requested.

It is hoped that phasing-in at this level will mean that most parishes will meet the full amount within three years. Where the phasing-in allowance is a large percentage of the full amount (over 25%) this is unlikely to be so. Such parishes are urged to consult their PCCs to consider whether larger increases towards their Fairer Share might be acceptable.

In exceptional circumstances, where perhaps allowance needs to be made for those who are still feeling their way into membership of the church, the Archdeacon may be prepared to recommend to the Fairer Shares Committee that the year on year increase is initially held to 9%. It has been found that the availability of such facilities has resulted in a minimal number of appeals against assessments.

USE OF THE POTENTIAL INCOME TO DETERMINE ASSESSMENTS

Since Church Allowances (which were previously deducted to make some allowance for, in particular, large buildings with a small congregation in a low income category) have now been phased out, the assessments are calculated as a percentage of the potential income to meet the amount required from the parishes towards the diocesan budget. For example in 2009 this has been slightly below 58%.

d) Comparative Giving Levels

Parishes are encouraged to take seriously the completion of question 3 in the questionnaire in order that as good a picture as possible of the financial profile of the congregation may be given. It is expected that this can be done on the basis of the results of an anonymous individual questionnaire to the church members. This questionnaire should be completed **only by those identified as members when considering who should be included in the answer to question 1(e)**. A substantial effort should be made to obtain completed questionnaires from at least 80% of the members. If advice is needed parishes should contact John Henson (020 8942 1279) for guidance. You will find a suggested approach to this exercise in the letter which is enclosed with this booklet. (It is emphasised that the bands relate to the GROSS incomes of the church members before any deductions.)

In the light of this information and the discussion at the interview each parish is placed in one of the six main "Personal Income Categories".

To make a greater allowance for fine tuning between parishes each category is now divided into five sub-categories (e.g. 3++, 3+, 3, 3- & 3--).

Associated with each category is an amount which is the expected average contribution (including recoverable tax) of each church member. This figure is called the PIC rate.

In 2009 the average Category 3 level has been taken as £63.92 per month with a range from £121.50 at the top to £25.75 at the bottom. Achievement of potential incomes calculated on this basis should give parishes sufficient money to meet their own needs, pay Diocesan assessments and maintain other missionary support against inflation. It should be noted that the PIC rates are now proportionate to the middle income in each Personal Income Category.

1. CONGREGATION

- a) Adult (16 & over) attendance on 5th October 2008 1.
12th October 2008 2.
Taken from 19th October 2008 3.
the return by 26th October 2008 4.
the parish 2nd November 2008 5.
to the 9th November 2008 6.
Archdeacon 16th November 2008 7.
in December 23rd November 2008 8.
2008 30th November 2008 9.

Average of these excluding special Sundays a) _____
(Declared average in the parish return)

- b) 2008 Christmas Communicants b) _____
c) 2009 Easter Communicants c) _____
d) Number on the Electoral Roll adopted at the Annual Parish Meeting in March/April 2009 d) _____
e) Membership Number (please include all who attend at least once a month - see booklet page 5 (c)) e) _____

ALL the following questions, including sections 2 and 3, relate to the answer given to question 1(e).

- f) Number of members who live in the parish f) _____
g) Number of members not in full time employment g) _____
h) Number of members who have joined since the last survey h) _____
i) Number in h) who have joined from other churches i) _____

2. REGULAR GIVING

- a) How many members * use regular methods of giving (e.g. envelopes/bankers orders)? a) _____
b) How many of those in a) use tax efficient methods (e.g. Gift Aid/GAYE/CAF)? b) _____

**** A joint promise by husband and wife may count as 2.***

3. FINANCIAL PROFILE OF CONGREGATION

(The figures below refer to the GROSS incomes of the members reported at 1e))

Please state the numbers of members in each of the following income brackets:

	From Survey Returns	Extra From Estimates	TOTAL
a) £0-£6,000 p.a. (£0-£500 p.m.)	_____	_____	_____
b) £ 6,001-£12,000 p.a. (£ 501-£ 1,000 p.m.)	_____	_____	_____
c) £12,001-£24,000 p.a. (£1,001-£2,000 p.m.)	_____	_____	_____
d) £24,001-£36,000 p.a. (£2,001-£3,000 p.m.)	_____	_____	_____
e) £36,001-£48,000 p.a. (£3,001-£4,000 p.m.)	_____	_____	_____
f) £48,001-£60,000 p.a. (£4,001-£5,000 p.m.)	_____	_____	_____
g) £60,001-£72,000 p.a. (£5,001-£6,000 p.m.)	_____	_____	_____
h) £72,001-£84,000 p.a. (£6,001-£7,000 p.m.)	_____	_____	_____
i) £84,001-£96,000 p.a. (£7,001-£8,000 p.m.)	_____	_____	_____
j) £96,001-£108,000 p.a. (£8,001-£9,000 p.m.)	_____	_____	_____
k) £108,001-£120,000 p.a. (£9,001-£10,000 p.m.)	_____	_____	_____
l) Over £120,000 p.a. (£10,001 p.m.)	_____	_____	_____
TOTALS	_____	_____	_____

Was a survey of individuals carried out in the form recommended in the Fairer Shares booklet? Yes / No

Was the identity of the members who did not respond readily determinable? Yes / No

Was it possible to make meaningful estimates of the gross incomes of all the members who did not respond? Yes / No

4. **Other information or matters which may be of use to the interviewers** - attention should particularly be drawn to changes in the make-up of the congregation since the last interview, high levels of turnover etc. *(Please use a separate sheet if necessary).*

b) Consultation with the Parish

Two interviewers meet with representatives of each Parish to discuss the information given in response to the questionnaire and to agree the matters referred to in the following paragraphs. In order to ensure consistency between parishes it is vital that the Area Dean (with or without the help of other representatives from the deanery - usually the lay chair or DBF representative) be present in an advisory capacity at all sessions. (The Archdeacon also has the right to be present, particularly where he feels that his wider knowledge will be of help.)

Although the interviewers may be members of the Board of Finance and/or the Diocesan Synod they come to the Parish as members of other churches in the family of the Diocese. (It is quite likely that they will have been 'on the other side of the table' when their own parishes were interviewed!) This interview is not meant to be confrontational.

The Parish representatives should usually be the incumbent, the churchwardens and the treasurer. It is essential, however, that the Parish is represented by people with good knowledge of the congregation (including those who were involved in completing the questionnaire) who are thus able to expand the picture of the Parish which the interviewers will have gathered from the answers.

c) Agreed Membership Figure (AMF)

Having discussed the answers to the questionnaire and any other relevant information provided by the Parish representatives, agreement should be reached on a normal average adult congregation. Whilst this figure does not have the same direct importance as in earlier years it is a helpful element in arriving at the AMF. The answer to question 1(e) will then be considered in the light of the previous answers. You should have regarded as members all those adults who attend on average at least once a month (including clergy) together with those members who are no longer able to attend Church but who receive a regular ministry at home. It is important that an actual list of those regarded as members is prepared as a result of thorough consultation between the incumbent and lay PCC members, as only this will carry weight. (Any congregational lists kept in addition to the Electoral Roll should have been taken into consideration.) The interviewers will wish to consider the relationship between the figures at 1(a) and 1(e). Members who have joined in the last year but not yet established a regular pattern of attendance greater than once a month should, however, be excluded.