

Speech by the Diocesan Treasurer to Diocesan Synod 3.2.07

Subject; The Board's concern over the payment of Parish Share.

Bishop, Members of Synod.

I speak this morning on behalf of the Board of Finance to formally register our concern in respect of the approach being taken by some parishes re the payment of their Parish Share. You have before you a summary of parishes that have not paid their share in full at some stage or another and for one reason or another during the five-year period outlined – this will be updated once we have the final figures for last year. You can see that some parishes only appear on the list once and it is obvious that during that one year a particular set of circumstances did not allow full payment – my comments today are not directed at those parishes, they are directed at those parishes who can pay and are not doing so.

It is not my intention to identify or discuss any particular parish as this is not a debate and right of reply is therefore restricted. The one exception to this will be the Cathedral, which I will refer to later.

First of all the Board would wish to pay tribute to those parishes who have consistently paid their share over the past years – your contributions are very much appreciated. Within this Diocese there is a long and excellent history of near to full payment over the years, unfortunately the lamentable exception to this is one of our Southern based deaneries.

Synod has, at various times, passed resolutions giving Deanery Synods varying degrees of responsibility for encouraging parishes to pay in full and/or making up shortfalls from within the deanery. As PCC finances have become more stretched, the last of these resolutions did not specifically ask for shortfalls to be picked up within the deaneries.

The Parish Share is not a levy placed on Parishes by 'Them in Derby' – the Parish Share is your responsibility. How many of you are members of PCC's? Yes by far the greater majority. How many of you have told your PCC that you voted to accept the Parish Share that was proposed to you by the Board of Finance. The Board of Finance is made up of members all of whom operate at Parish level – you cannot pass the responsibility onto others – the responsibility is a corporate one.

Who are 'Them in Derby' that so many of you refer to. Well you may be interested to know that the Executive Council of the Board, basically its governing body is made up of two members from within the City of Derby with the remaining seven being scattered throughout the length and breadth of the County.

So it's not 'Them in Derby' that make the recommendations its very much representative of all geographical areas of the Diocese.

Many parishes really struggle to make their share payments – but struggle they do and by the end of the year they have cleared their commitment. There is concern about falling overall rates of collection and about increasing numbers of parishes showing shortfalls, and also short falling repeatedly. The paper gives the detail but not the reasons. As I said earlier I will not highlight individual cases at Synod but parishes fall broadly into two categories, the 'can't pay' and the 'won't pay'; both are potentially very serious, the former in terms of viability and the latter in terms of our corporate responsibility to sustain mission and ministry across the Diocese. Falling congregations in some areas leads us to question the viability of

some parishes – this viability becomes more focused as the number of PCCs , who do not appear to see themselves as being part of the Diocese, grows.

Although we ask for full payment of Share by 31 December each year, we always keep the books open for further payments. Those further payments, which arrive before the Board’s audit is concluded, are included in the schedules at the back of the published accounts. Those Schedules show payments by 31 December and those by the date of the audit. Later payments are acknowledged in future years’ accounts. However, taking the total payments received by audit date as our guide, the following pattern emerges

Accounting year	%collected
2001	99.01
2002	98.35
2003	98.06
2004	97.26
2005	96.02
2006	Not yet concluded

but was ‘down’ at the 31 December comparative point

This unfortunately shows a steady decline year on year, almost 3% over a five year period.

We need to reactivate the involvement of deanery officers (and Deanery Synods) in promoting full payment. Otherwise we will be into a downward spiral of further shortfalls leading to the Board’s inability to pay even the recently reduced number of clergy, in turn leading to further cuts in staffing.

Some of the ‘can’t pays’ may have to grasp the fact that there are limits to the amount of support that can be offered from other parishes. This may be one of the earliest tests of commitment to new MMA structures, in cases where parishes with differing payment records are now jointly responsible for Share. Equally, it is clear that some are deliberately withholding share on ‘theological’ grounds, even though different traditions have been treated with respect in this Diocese. Sadly, in a **small** number of these ‘won’t pay’ situations, it is clear that those responsible are not honest enough to admit their actions and still seek to ‘dress up’ their position as ‘can’t pay’. The evidence of locally paid staff, separate trusts and the like would suggest to the contrary.

I do not enjoy chasing half way round the county on a winters night to talk with a PCC who deliberately does not pay their share, I am particularly scathing with regard to those parishes who maintain they cannot pay their share yet still pay for additional staff. How can a parish say that they give their congregation a choice – either pay into a separate trust and pay for the additional staff or pay into their normal church funds and pay their share. Where is the leadership, do the clergy and the congregation not realise that the incumbent has to be paid – why should other parishes have to subsidise this deliberate siphoning of funds – is not the payment of the Vicar a parish’s first priority – if it isn’t then I would suggest that such a parish lacks the right sort of leadership, be it clerical or lay.

Some places appear to have bought into the idea that the Share is voluntary expenditure and therefore avoidable. This is often coupled with the view that clergy will still be paid and housed regardless, as their ‘package’ is protected in law and cannot be withdrawn. This perception is not only parochial and selfish but also ill advised. It appears to be based on the assumption that shortfalls will be made up

from another 'pot'. The reality is that Derby is one of the poorest of Dioceses historically, still receiving Church Commissioners'/ Archbishops' Council financial support and yet increasingly reliant on parish contributions to pay its clergy. In 2007 total expenditure of just over £7m will require Parish Share of £5m. There is no room for complacency and no scope for shortfalls. Nearly £6m will be spent on clergy pay, pensions, housing and training this year.

When the Cathedral announced their unilateral decision to stop paying their share, there was absolute outrage from many within the Diocese. I can speak on this as I am now chairman of the Chapter Finance Committee – the rebuilding of payment of the share has already begun, starting this year.

My point here is why is there not the same level of outrage against those parishes that have deliberately not paid their share for years – in my view there should be.

Let me now turn to the system that actually calculates the share payment. The Assessment System was probably 'state of the art' when first introduced, attempting to bring a high degree of objectivity on 'ability to pay', although based on the estimated income levels in parish communities rather than in congregations. It has been modified on a number of occasions, most recently following extensive consultations in 2002. At that time the feeling of DBF officers was that a much simpler (and therefore possibly less accurate) assessment system might be better understood and therefore better accepted. This was rejected in the consultation, as was the possibility of congregational incomes being assessed anonymously, which would have removed the argument that community incomes and congregational incomes have a poor correlation. Having said this, the level of acceptance of the assessment remains good. The Board did the work on these new proposals and you, the Synod, rejected change – you voted for the current system. However there are now a growing number of individuals who feel that the share system is being particularly unfair on some parishes – unfortunately you will always have winners and losers – there is not a perfect system. I invite those who feel very strongly on this to come forward to me at the interval and register their names as being willing to sit on a 'Working Party' whose objective would be to create a system that treats all parishes in the same way.

I would advise you now that neither the Diocesan Secretary nor myself will take part in this review – we will remain independent until the recommendations are received.

Before my closing thought I would like to reiterate that by far the greater majority of parishes pay their share in full and this is very much appreciated especially where it is a real struggle to raise the money from a small congregation. We are talking today about a small percentage of parishes who for various reasons are not paying their share, however, why should I, as a Parish Treasurer and indeed why should you be expected to subsidise those parishes who are capable of paying their share but deliberately do not do so.

I leave you with one personal thought – failure to make share payments will result in the number of stipendiary clergy being yet further reduced – I am just very sorry that the loss of such posts cannot be directly linked with those parishes that are deliberately withholding their share.