Background
Parish Share is a key issue in the Diocese of Liverpool. It is the main way in which we finance local ministry costs; it is the single biggest expenditure in most PCC and DCC budgets; it is probably and almost inevitably the greatest bone of contention between parishes and the Diocesan Board of Finance (DBF). In short, it is by some distance the biggest element in our financial equation as a diocese and is therefore fundamental to both our sustainability as a diocese and our ability to invest in growth in our parishes.

The current Parish Share system was introduced in 2004 and then modified in 2011 and 2015. Essentially it has been a major success story with collection rates generally over 98%. This is the envy of many neighbouring dioceses and says much about the generosity and commitment of the parishes in our diocese.

We also receive c. £1.6 million from the Church Commissioners in recognition of the fact that we are one of the most deprived dioceses in the country. The Church Commissioners are under an obligation to ensure that their funds are spent where the need is greatest.

Recent history
Synod debated Parish Share in 2013 and 2014 and considered 2 options:

♦ Option 1 was a modified version of the then current system
♦ Option 2 was a new system based on deaneries rather than parishes

The view of Synod was 2013/14 was not the time to move away from a system that was working; the general line on option 2 appeared to be ‘not yet’ rather than ‘not at all’.

Since then 3 things have happened:

♦ In 2016 (the first year of the new system) we had a remarkable collection rate of over 100%.
♦ In 2017 the collection rate fell off to 97.2%, with increasing instances of parishes paying out of reserves.
♦ From 2016 Wigan deanery (as part of Transforming Wigan) has been piloting option 2.

The case for option 2
There are two overriding reasons why we need to consider option 2 once again:

(i) The current Parish Share system is based on an assumption that as a diocese we have absolutely the right numbers of clergy within the diocesan budget. There are no means of varying the clergy numbers up (for missional reasons) or down (for financial reasons). We have a number that we have to stick to.
There is a limit to how long the DBF can manage what is, in reality, a deficit budget. If we don’t get 100% of Parish Share collection (and we have only managed that once in the past decade) we are in reality setting a deficit budget. 1% of uncollected Parish Share = c. £80,000 = c. the direct costs of 2 clergy. So if we collect 98% of Parish Share (a very high collection rate) we have a deficit in the diocesan budget of £160,000, which equates to 4 clergy. That is unsustainable.

Option 2 allows a more creative approach to clergy deployment and links deployment more closely with ability to pay. Therefore we can have a more responsive approach to the clergy numbers and a more affordable approach according to each parish’s ability to pay.

In response to feedback (particularly that there is still a strong commitment to the current Parish Share system) we are proposing a different version of option 2 from that proposed in 2013/14. We have tried to keep a core element of the current system in how we calculate what we have termed HTM (housing, training & mission development) costs. This, we believe, carries forward some of the strengths of the current system into the new one.

This paper will move onto making the case for option 2. It takes some things as read: that Parish Share is an expression of mutuality within an episcopal church, that it is the outworking of biblical principles of good stewardship and that we are committed to supporting parishes that could not hope to pay the full cost of their own ministry.

Within this discussion it is important to remember that Parish Share is essentially about how we most fairly and reasonably meet whatever cost of local ministry Synod (or in the case of option 2, deaneries) determines we should have. The costs of providing ministry and mission in the diocese (currently c. £9.3 million) come from 2 sources:

- Contributions paid by churches though Parish Share (£7.7 million)
- A Church Commissioners grant of £1.6 million in recognition of the fact that we are one of the most deprived dioceses in the country.

So the discussion is about how we ‘cut the cake’, how we get the necessary money in to pay for our stipendiary clergy. And for avoidance of doubt Parish Share is not a comment on the kinds of ministry we do and don’t value; Parish Share is about how we pick up the tab for the ministry that we choose to pay for.

This paper seeks to provide:

- A brief description of the proposed system
- An example of how it would work
- Appendices which contain more detail on how option 2 works, how we calculate the costs of clergy and a re-statement of how option 2 meets the 10 tests as laid down by Synod in 2013.
Please note: we have tried to keep this paper as jargon free as possible. However there will be terms that are familiar to some but unclear to others. Therefore we have produced a brief glossary of terms in Appendix 3 on page 13.

Parish Share Option 2
A new approach to Parish Share: deanery offers based on clergy deployed

Option 2 aims to give deaneries the flexibility to determine how many stipendiary clergy they want to deploy and how much each parish/team/hub in the deanery would contribute towards the cost. This proposed new system would continue to allow for mutual support; the contribution required for each stipendiary incumbent in a deanery will reflect the level of deprivation in that deanery which will be calculated afresh from IMD data at deanery level.

Please note: for convenience we have continued to use the word ‘parish’ to describe the local unit of mission. We recognise that the churches in our diocese are now organised in multiple forms – single benefice parishes, teams, groups, hubs. For ease of reference we have used parish to stand for all of these.

Because option 2 is new and unfamiliar it will require quite a bit of explanation. It is based on 2 broad costs:

(i) **Housing, training & mission development (HTM)** – this broadly covers the cost of:
   - The theological training costs of ordinands
   - The stipendiary and other costs of curates
   - Housing clergy
   - Discretionary posts deployed by the bishop
   - The support and development of key lay ministries (local missional leaders, readers etc)
   - Contributions to the national church
   - Deanery Mission & Growth funds

(ii) **Deanery deployed leaders (DDL)** – the vast majority of this cost is and no doubt will remain the deployment costs (stipend/national insurance/pension) of incumbent status clergy. However, we have deliberately moved the language away from clergy so as not to constrain the discussions at deanery level. For example, Wigan has already used what would have been stipends for other forms of missional leadership.

The Parish Share requirement of each component is calculated in different ways:

(i) HTM is calculated using the current Parish Share method – calculated for parish level, based on average weekly attendance and socio-economic factor (SEF)

(ii) DDL is calculated using the method brought to Synod in September 2014, a deanery system based on each the number of clergy deployed, the SEF of the deanery and each parish within the deanery offering its own contribution.
This combination of calculation methods allows deaneries to have the flexibility to determine how many stipendiary clergy and other missional leaders they wish to deploy and where they want to deploy them, whilst enabling parishes to contribute according to their ability to pay.

In reality, therefore, each deanery is given 4 pieces of information:

- The indicative amount for each parish for the HTM element (which will be roughly 40% of what they are paying under the current Parish Share system)
- The total cost to the deanery of the DDL element for the stipends they currently have
- The cost per incumbent for any additional incumbent the deanery may want to deploy – in 2018 this would be a flat rate cost of c. £43,000 (see Appendix 2)
- The cost saving per incumbent for any reduction in the deanery clergy allocation – this saving will vary from c. £25,000 in Liverpool North to £46,000 in Sefton North (Sefton North is carrying the greater proportion per incumbent of the HTM element so receives a proportionately greater benefit of any saving)

**An example**

So, take the fictional deanery of West Bayes, which has an SEF of 1.05 and a clergy allocation of 10 across 14 parishes. It would be given:

- A list of the contributions for the HTM element of each parish in the deanery – totalling, say, £240,000
- An additional cost per current DDL/incumbent of £36,000 each (total £360,000)
- The flat rate cost for any additional incumbent (c. £43,000)
- The saving for any reduction in clergy numbers (c. £38,000)

West Bayes deanery would then have a number of options:

- If West Bayes deanery decided to stay with the current numbers then it would need to determine how the additional £360,000 is best allocated across the 14 parishes, given the financial strength of each parish.
- If West Bayes deanery decided to increase its current numbers by 1 then the £360,000 would increase to c. £403,000, again to be allocated by the deanery across the 14 parishes. It may be, for example, that 3 parishes in a team come together to increase the clergy numbers in their team and that this additional cost is spread across those 3 parishes.
- If West Bayes deanery decided to cut its current numbers by 2 then the £360,000 would reduce to c. £284,000, again to be allocated across the 14 parishes. It may, for example, be that 2 sets of parishes come together to share the costs of an incumbent and appoint an additional Local Missional Leader and so their deanery cost allocation is reduced.

Much of the ‘allocation’ referred to above would be by offer and by negotiation between parishes – perhaps in a specially convened deanery meeting. The core principle is about giving parishes and deaneries greater flexibility and greater ownership over the deployment decisions in their deanery.
Smoothing mechanisms
In any change of system there is some turbulence. There are inevitably some winners and some losers. We would seek to minimise this turbulence in 3 ways:

(i) The HTM cost per parish (based on the current Parish Share calculations) is fixed for 5 years (apart from an annual inflationary increase). This gets away from the significant annual increase some parishes are currently facing.

(ii) For the same 5 year period we would cap the deanery impact of the change to 50% of the ‘true’ number. So, for example, North Meols deanery would benefit by £166K if we moved to the new system on current assumptions. They would, however, only receive 50% of that benefit. Equally, Warrington deanery would see their costs rise by £142K; on the same basis we would cap their increase to c. £71K.

(iii) We would add in a provision for the cost of 2 extra stipends (again for 5 years) to make additional deployment in deaneries which are most adversely affected by the changes.

Emerging FAQs
In discussions during the preparation of this paper various questions emerged. These included:

*Who will decide what each parish or team will contribute?*
That will be up to the deanery to determine its own process. In practice we would assume that the process of negotiation will be overseen by the Deanery Mission & Pastoral Committee on behalf of Deanery Synod. The Wigan experience has been that the role of the Deanery Finance Group has been crucial. Training will be provided as requested by the deanery.

*Will Area Deans and Lay Chairs become debt collectors?*
No. It won’t all fall on Area Deans and Lay Chairs. Once each parish or team has agreed its contribution then it will be mainly down to St James’ House to manage the Parish Share payments.

*How flexible will the system be?*
As flexible as the deanery wants. For example, if a deanery wants to have a series of part-time roles alongside full-time roles then they are free to appoint on that basis. So, for example, a deanery may decide to have 7 full-time clergy, 2 house for duty clergy (each of which will be costed at 0.4 of an incumbent) and 3 half-time clergy. Therefore the deanery’s allocation will be 9.3 posts. Alternatively, they may decide to have some full or part-time lay roles as part of the mix – say 2 youth workers, 3 pastoral workers and 4 part-time administrators working across the deanery. All of this could be determined and paid for as a deanery under option 2.

We have no doubt that option 2 will change our understanding of the different types of and possibilities for local leadership. It will also change how we discern, train and deploy leaders according to local need and missional ambition.

*How will resource churches be affected by option 2?*
As a diocese we have begun to plant churches that are intended to become resource and church planting churches. St James in the City was the first. We are about to establish 3 more – in St
Helens, Warrington and Widnes. It is important that although these resource churches are intended to be net contributors to the diocese – both in terms of finance and people – it will take some time for each church to get to that position.

We are determined, therefore, that resource churches should not be a significant factor within Parish Share; rather they should be separately funded (in the case of the St Helens/Warrington/Widnes Resource Church Network major funding has been secured from the national church Strategic Development Funding pot). In due time they should become net contributors into the deanery’s Parish Share as well as its growth and mission planning strategy.

How deanery led will option 2 be?
As much as we can make it. There may be some circumstances where ‘the diocese’ has to intervene – for example where a church is in significant dispute with its deanery over payment or allocation of leadership resource. Alternatively, changes in one deanery will affect the diocese as a whole through the HTM calculations. There may be a need to ensure a minimum level of HTM contribution from each deanery.

In reality these have not been significant problems under the current system whereby, for example, deaneries have taken the lead in determining where clergy are deployed. There is a terrific spirit of mutuality with the diocese – it is one of our greatest features. We work these things out together. We are sure that this will continue to be the case.

Conclusion
The following pages go into the proposed new system in significant detail. We hope, however, that the overall approach at this point is clear. We also hope that the case is compelling for deaneries to be better able to interpret how our diocesan desire to see a bigger church making a bigger difference with more people knowing Jesus and more justice in the world is best and most creatively delivered at the local level rather than by diocesan formula.
PARISH SHARE OPTION 2 – HOW IS MY SHARE DECIDED?

Basic principles

Total ministry and mission costs comprise 2 components:

i. Housing, training and mission development (HTM)

ii. Deanery deployed leaders (DDL)

The following describes the calculations in more detail. To keep things simple we have used round numbers wherever we can.

Calculating Parish Share

The calculation of Parish Share contributions has 4 stages:

1. Allocating the Church Commissioners grant to both HTM and DDL costs (St James’ House)
2. Calculating the Parish Share allocations per parish to HTM (St James’ House)
3. Determining the Parish Share contributions by each deanery to DDL (deanery and parishes)
4. Adding 2 and 3 together to establish the total Parish Share contributions to be made by each deanery (deanery).

1. Allocating Parish Share element and Church Commissioners grant to HTM and DDL

(i) The annual DBF budget process sets a standard cost per stipendiary incumbent
On current numbers and costs (2018) this works out at c. £62,000 per year per incumbent. It excludes the costs of Bishops, St James’ House and the cathedral and absorbs the central costs of curates in the diocese. Each incumbent cost can be broken down into:

a. HTM at £25,000
b. DDL at £37,000

(A full breakdown is provided in Appendix 2).

(ii) St James’ House calculates the total HTM and DDL costs to be raised
This is the relevant cost per incumbent x the number of stipendiary incumbents, which is currently 151. The total to be raised is:

a. HTM = £25,000 x 151 = £3,800,000
b. DDL = £37,000 x 151 = £5,600,000

(iii) St James’ House allocates the Church Commissioners grant to work out the remaining amount to be raised by Parish Share
The £1.6 million grant is allocated 50:50 to the HTM and DDL elements, c.£800,000 each, giving the amounts to be raised from Parish Share as:

c. HTM = £3,800,000 – £800,000 = £3,000,000
d. DDL = £5,600,000 – £800,000 = £4,800,000.
2. Calculating the Parish Share contributions to Housing, Training and Mission development (HTM)

This is calculated by St James’ House on the existing “Option 1” basis, working out Parish Share contributions at parish level, and essentially relies on 2 numbers:

- Average adult attendance per week.
  The average adult weekly attendance for each parish is averaged over the previous 5 years. Allowances are made for people who attend more than one service a week. The 12 largest and 12 smallest weeks each year are ignored.
- The Socio-Economic Factor (SEF).
  This is based on the government’s Indices of Multiple Deprivation, as calculated at parish level by national church. Each Parish Share paying church is allocated an individual SEF, evenly spaced between the most deprived at 0.5 and the least deprived at 1.5.

St James’ House calculates the deanery allocation to HTM:

(i) Each parish will be allocated a proportion of the total HTM to be raised, net of the Church Commissioner’s grant, ie £3,000,000, as follows:
   a) Each parish is allocated a score
      parish score = SEF x average adult weekly attendance
   b) Each parish score is added up to give a diocesan total
   c) The Parish Share allocation is that parish’s proportion of the total share, ie
      Parish HTM = parish score / diocesan total scores x £3,000,000

(ii) The deanery contribution to HTM is the total of all the parish HTMs in the deanery (A).

3. Determining the deanery contributions to Deanery Deployed Leaders (DDL)

This element of the system aims to give deaneries the flexibility to determine how many stipendiary clergy they want to deploy. It requires data (from St James’ House) and local negotiation (within the deanery). The contribution required for each stipendiary incumbent in a deanery will reflect the level of deprivation in that deanery which will be calculated afresh from IMD data at deanery level.

The data element is based on 3 key pieces of information:

- Each deanery deciding how many stipendiary clergy they wish to deploy
- The socio economic conditions of that deanery to determine the per head cost of each clergy
- The application of the Church Commissioners’ funds in each deanery.

The steps of the process are:

(i) **St James’ House takes the standard cost per stipendiary incumbent**
   This is the DDL cost per incumbent figure in 1(i), c. £37,000 (a full breakdown is provided in Appendix 2).

(ii) **St James’ House works out the socio-economic context of each deanery, the deanery SEF**
   This is like the current socio-economic factor for the parish except it is worked out at a
deanery level. Each parish is allocated a SEF using the same method as in (2), but using a
SEF range of 0.6 to 1.4. The deanery SEF is calculated from these parish SEFs using a
population weighted method.

(iii) St James’ House works out the total number of Church Commissioner funded posts per
deanery, targeting the greatest support in the most deprived parishes
On the basis of the deanery SEF above we would determine how many clergy are funded by
the Church Commissioners allocation in each deanery. Every deanery gets something because
there are issues of deprivation in each deanery, but the majority of the support is targeted at
the areas of greatest deprivation, ie those with the smallest SEF. Each deanery is allocated to
a SEF band. Band 1, being the most deprived deaneries, are allocated £12,000 per stipend;
bond 4, the least deprived deaneries, are allocated £250 per stipend.

(iv) St James’ House works out the cost of each Share funded stipend per deanery
This will be based on the deanery SEF and so will vary according to the socio-economic
context of each deanery. Basically it will cost more per clergy in a wealthier deanery than in a
lower income one.
First we calculate the remaining number of stipends to be funded by Share:
remaining number of stipends = total stipends in deanery minus stipends funded by Church
Commissioner’s grant.
Then, using the same calculation method as for current Parish Share, and by using the
deanery SEF and the total diocesan DDL required, each deanery is allocated a deanery DDL
Share (B). From this, the cost per stipend can be deduced.

(v) The deanery negotiates the Share paid by each parish
The parishes and deanery work together, led by say the deanery Mission & Pastoral
Committee, to determine how much each parish gives towards the deanery total.
By this point in the process it will be clear how many clergy the deanery says it needs and
how much those clergy will cost. It will then be up to the parishes within that deanery to
come up with a mutually acceptable number of contributions which add up to the total
required, working through a combination of offer and negotiation.

4. Establishing the total Share contributions to be made by the deanery
The total Share for each deanery would be the total of the combined HTM parish figures (A) and
DDL deanery Share figure (B).

An illustration of how the new system might work can be seen at Appendix 1. This illustration is
based on the current allocation of clergy to enable a like for like comparison. We stress, however,
that deaneries would be in no way bound by the current numbers of clergy.
### APPENDIX 1 – THE IMPACT OF OPTION 2

Please see page 11 for an explanation of the columns.

| HTM | 2018 final stipendiary clergy allocation | HTM Share | Gross DDL costs | DDL costs to be met by Share | HTM indicative Church Comm grant allocation | No. DDL clergy | No. DDL clergy supported by Share | scrip | Amount DDL costs to be met by Share funded clergy (A) | Amount DDL costs to be met by Share not funded clergy (B) | Total share contribution (A)+(B) | Difference compared to 2018 share contribution (A)-(B) |
|-----|-----------------------------------------|------------|-----------------|-----------------------------|---------------------------------------------|----------------|-----------------------------|------|-----------------------------------|-----------------------------------|----------------|--------------------------------|----------------|
| Sefton N | 760,717 | 760,717 | 2,750 | 0.1 | 10.9 | 503,177 | 46,056 | 22,554 | 805,845 | 783,281 | 22,554 | 1.0 |
| Walton | 245,895 | 3,996 | 0.82 | 33,962 | 86,537 | 331,928 | 42,266 | 302,668 | 2,750 | 0.1 | 10.9 | 503,177 | 46,056 | 22,554 | 805,845 | 783,281 | 22,554 | 1.0 |
| Sefton S | 245,895 | 3,996 | 0.82 | 33,962 | 86,537 | 331,928 | 42,266 | 302,668 | 2,750 | 0.1 | 10.9 | 503,177 | 46,056 | 22,554 | 805,845 | 783,281 | 22,554 | 1.0 |
| Liverpool | 698,036 | 698,036 | 2,750 | 0.1 | 10.9 | 503,177 | 46,056 | 22,554 | 805,845 | 783,281 | 22,554 | 1.0 | 10.9 | 503,177 | 46,056 | 22,554 | 805,845 | 783,281 | 22,554 | 1.0 |
| St Helens | 698,036 | 698,036 | 2,750 | 0.1 | 10.9 | 503,177 | 46,056 | 22,554 | 805,845 | 783,281 | 22,554 | 1.0 | 10.9 | 503,177 | 46,056 | 22,554 | 805,845 | 783,281 | 22,554 | 1.0 |
Impact of Option 2 - column details:

**2018 Final capped Share** – Total Parish Share requested from each deanery for 2018.

**Allocated stipendiary clergy** – 2018 stipendiary clergy allocated numbers.

**Deanery SEF** – Socio-Economic Factor calculated at deanery level.
This is based on government Indices of Multiple Deprivation (IMD) for 2015, as used for current Parish Share. Each parish is allocated a SEF based on its IMD, from which the deanery SEF is calculated based on population weighting.

**HTM indicative Church Comm grant allocation** – The Diocese of Liverpool receives an annual allocation from the Church Commissioners based on a formula applied across all dioceses. The Church Commissioners are under an obligation to ensure that their funds are spent where the need is greatest. Therefore the available Church Commissioners’ grant (£1,583,142) is allocated heavily to deaneries in our most deprived areas based on deanery SEF. 50% of the grant is allocated to the HTM element, reducing the Share to be raised via parish allocation. This calculation is based on the current Parish Share calculations, allocating the grant to each parish based on SEF and average attendance over 5 years, with the smallest SEF (most deprived) receiving most grant. Each parish grant is added up to get the total deanery grant.

**HTM Share (A)** – The Parish Share contributions to housing, training and ministry.
This is net of 50% of the Church Commissioner’s grant (see above). It is the sum of Parish Share contributions to the HTM element, calculated at parish level within each deanery (method used as the current Option 1 Parish Share calculations).

**Gross DDL costs** – The total cost of providing the number of allocated DDL clergy in the deanery, ie Allocated clergy x ‘standard cost of DDL clergy’ (calculated at c. £37K per post – see Appendix 2).

**DDL Church Comm grant allocation** – For the DDL element of the Church Commissioner’s grant (see above), 50% of the grant is allocated to bands based on deanery SEF. The allocation then made to deaneries within each band is also based on deanery SEF and allocated clergy within the band. The grant covers the costs of 22 DDL clergy posts.

**No. DDL Church Comm supported clergy** – Number of clergy in the deanery paid for by the DDL element of the Church Commissioners’ Grant, ie DDL Church Commissioners’ Grant Allocation ÷ ‘DDL standard cost of clergy’ (c. £37K).

**No. DDL clergy paid for by Share** – Number of clergy posts to be paid for from Share contributions, ie Allocated stipendiary Clergy minus No. DDL Church Comm supported clergy.
**DDL costs to be met by Share (B)** – The total costs of paying for clergy not covered by the Church Commissioners’ Grant is 129 posts x c. £37K. This is allocated to the deaneries based on the number of clergy remaining to be paid by Share contributions, weighted by deanery SEF. 

\[ \text{Deanery score} = \text{Deanery SEF} \times \text{no. of DDL clergy to be paid for by Share} \]

\[ \text{DDL costs} = \frac{\text{Deanery score}}{\text{total deanery scores}} \times \text{total DDL costs to be met by Share.} \]

**Amount per DDL Share funded clergy** – The cost to each deanery of each post funded by Share, 

\[ \text{DDL Costs to be met by Share} \div \text{No. of DDL clergy paid for by Share}. \]

**Total deanship Share contribution (A) + (B)** – Total Share contributions from the deanship, 

\[ \text{HTM share} + \text{DDL costs to be met by Share} \]

**Proposed smoothed deanship Share contribution** – The deanship contribution is capped at 50% of the difference between the calculated total Share contributions from the deanship and 2018 requested Parish Share, 

\[ \text{2018 final capped Share} + (\text{Total deanship Share contribution} - \text{2018 Share}) \div 2 \]

**Difference compared to 2018 Share** – Difference between the proposed smoothed Share contributions from the deanship and 2018 requested Parish Share, 

\[ \text{Proposed smoothed deanship Share contribution} - \text{2018 final capped Share}. \]
APPENDIX 2 – THE COST OF CLERGY

The total cost of ministry (stipendiary clergy, non stipendiary clergy, Readers, training curates, clergy housing etc) is c. £9.4 million. It is partly offset by £1.6 million we receive from the Church Commissioners. Therefore, we need to raise £7.8 million from Parish Share. This same cost and same need for £7.8 million applies equally to our current system (Option 1), or to Option 2.

In the paper we use a figure of c. £62,000 per year as the average cost of an incumbent in the Diocese of Liverpool. The costs broken down between HTM and DDL costs works out as follows:

**Housing, training and ministry (HTM) costs**
- Cost of curates £7,319
- Centrally deployed clergy £3,248
- Mission & growth fund £4,876
- Clergy housing/moves £6,229
- Archbishops’ Council £3,339
- Other, including schools £3,946

Sub total £28,957
- Less vacancy rebate: - £3,901

**TOTAL HTM cost per post** £25,057

**Deanery deployed leader (DDL) costs**
- Incumbent stipend/pension/NI £36,881

**Cost for each additional incumbent**
- Incumbent stipend/pension/NI £36,881
- Clergy housing/moves £6,229

**TOTAL additional cost per post** £43,110

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APPENDIX 3 – GLOSSARY OF TERMS

**Indices of Multiple Deprivation (IMD)** – a formula used by government for calculating how deprived a given community is. IMD includes income but also includes other factors such as education, employment, health and access to services. IMD is used heavily by government in their calculations and is the best tool we have for assessing the levels of deprivation – and therefore potential giving capacity – of members of each parish.

**Socio economic factor (SEF)** – is a way we use to group parishes in bands according to the levels of deprivation as indicated by the IMD. A lower SEF means a higher level of deprivation; a lower SEF therefore reduces the Parish Share calculation for that parish or deanery.

**Hub** – is a term used in Wigan to describe how several parishes come together into a single missional unit to refresh, renew and multiply worshipping communities.
APPENDIX 4 – THE 10 TESTS

In October 2013 Synod set 10 tests against which we could assess the merits of any proposals. This is a brief response to each test:

1. **Do the proposals encourage growth?**
   Yes, as the greater the giving capacity the greater the opportunity to pay for (or not) increased stipendiary clergy

2. **Do the proposals support and reflect the church that we wish to become?**
   Yes, by giving the scope to pay for and deploy leadership strategically

3. **Do the proposals affirm mutual support within the diocese?**
   Yes, through the socio-economic weighting within the calculation for the cost of the stipend for each deanery plus the weighting of Church Commissioners’ funding to the most deprived deaneries

4. **Do the proposals strengthen relationships between parishes?**
   Yes, through the need to negotiate a mutually agreed approach both to individual parish contributions and the deanery total

5. **Do the proposals recognise the character of the diocese, particularly around issues of deprivation?**
   Yes, through the socio-economic factor and the conscious applications of Church Commissioners’ funding

6. **Do the proposals take appropriate account of health and sustainability issues?**
   Yes, as long as parishes are sufficiently respectful of each other in negotiations

7. **Do the proposals provide an appropriate accountability framework within the diocese and beyond?**
   Yes, within the diocese (all deanery assessments and payment records would be published); yes to the Church Commissioners as funding is intentionally applied to Church Commissioners’ supported clergy

8. **Do the proposals present an appropriate giving challenge to all?**
   Yes, if negotiations are conducted open-heartedly

9. **Do the proposals provide appropriate support to local decision-making?**
   Yes, including the ability to increase or reduce the number of deployed clergy

10. **Is the proposed system or process transparent and easily understood?**
    Yes, in terms of transparency; it may take some time for people to become familiar with it
APPENDIX 5 – PARISH SHARE PAPERS

For full details of the original proposals for Option 2, please see Synod paper from September 2014:
www.liverpool.anglican.org/userfiles/files/Making%20it%20Easier/processes/parishfinance/parishshare/Parish_Share_revision_Synod_Sep_14_final.pdf

For full details of the final proposals adopted for Option 1, please see Synod paper from March 2015: