**Diocesan Synod 19 Nov 2022: Deanery Planning Part 2**

What Rob has talked about is the heart of the deanery planning exercise: Where will each parish focus its missional efforts in the coming years? Where is there synergy in those plans within deaneries and how can parishes work together? What support is needed at diocesan level? That is the first, and rightly the first strand of the exercise.

The second strand is how we resource what we want to do. The heart of the diocese – of the Church of England – is our parishes. That is where most of our mission and ministry is centred. And it is also where most of our resourcing comes from. In 2021 for example, total unrestricted parish income was nearly £35.5 million (£35,424,320), of which just over £13m (£13,024,539) was paid to the DBF by way of parish share – that’s the blue part of the left hand bar. By contrast, DBF income from other sources, the blue right hand bar, was less than £3.5m (£3,488,589) – less than a tenth of parish income, looking at unrestricted income alone.

You can also see from that chart that well over half of parish income is retained in parishes, for spending by the parish on parish mission and ministry.

What of the funds paid to the DBF in parish share, which amount to around 80% of DBF income in an average year?

Here again, the core is parish ministry. Just as 80% of our income comes from parish share, around 80% of our expenditure goes on parish ministry: paying stipends and pensions for our parish priests, both incumbents and training curates; maintaining their housing; training and supporting the next generation of parish priests through theological college; and supporting current clergy through removal and resettlement grants, Continuing Ministerial Development, and the ministry of archdeacons and rural deans.

About half the rest goes on supporting parishes in other ways: we do not want to put clergy, who are our most valuable resource as well as our most expensive one, into the mission field without resourcing them, so while the balance is firmly on the side of deploying as many clergy as we can, we are conscious that we also need to provide support on matters such as youth and children’s work, schools work, lay ministry, stewardship, finance, buildings, safeguarding and so on.

So directly or indirectly, 90% of DBF expenditure is focussed on local ministry in our parishes and BMOs and also our schools. 6%, the orange slice, goes on overheads such as IT, governance, and running Church House – and expenditure on closed churches. And 4%, the grey slice, is the contribution we make to the costs of the national church institutions.

Those are the proportions. But we have also had a long standing problem that our expenditure has been higher than our income, peaking at nearly £1.8m more than income in 2018. We had started to shrink that deficit before the pandemic, and thanks to emergency savings on property expenditure, government furlough grants, a grant from the Archbishops’ Council and most of all the generosity of parishes, we have continued that trajectory through the pandemic. But while the orange tips of the bars showing the deficits have got smaller, they are still there.

As we look at our first post-pandemic budget, we can see some major shifts from our former structural deficits. Some are welcome: over £600k saving on pension contributions since the 2020 budget, over £200k saving on Church House costs and national church contributions and over £400k extra rental income. But some are less welcome: we are spending over £100k less on clergy stipends despite inflationary increases and over £700k less on curates and ordinands[[1]](#footnote-1). The total number of budgeted stipendiary posts has reduced from 289.5 in 2018 to 274 for 2023, which is an average of 1% per year, and the total number of stipendiary curacies in the budget has reduced from 35 to 25.

The reduction in budgeted curate numbers is complex: it is partly due to 3 being funded from other sources outside the budget; partly due to curacies shortening a little in duration; partly due to a significant reduction in 2020 as one of the few immediate responses we could make to the drop in income which is still working its way through the budgets; and partly due to forward planning indicating that we had been ordaining more stipendiary curates than it seemed likely there would be posts for after curacy. So we will want this to increase from its current low, but not to its previous high.

Overall though, while our decline in clergy numbers may be modest compared to what we are seeing in other dioceses, it is not a trajectory we want to continue. But with the bulk of DBF expenditure going on parish clergy and the bulk of income coming from parish share, those are the only two areas which will make a significant difference. We already have a very lean Church House compared to other dioceses, and scrutinise staffing and expenditure regularly, which has resulted in the costs of Church House going down £120k over the last 5 years despite inflation, and it is very hard to see how further significant savings or efficiencies can be made.

We know that the desire to have stipendiary clergy deployed in parishes is as strong in parishes as it is among the senior staff. We don’t want to reduce numbers further. But avoiding continuing that trend means increasing parish share. So that is the goal with which we began the financial part of the deanery planning exercise last year.

We wanted to widen awareness of what parish share is: namely each parish’s generous contribution to the total costs of resourcing our household of faith in the diocese.

We wanted to widen awareness of what Parish Ministry Costs are, and what they are not: they are not a sticker price for a priest, but are simply an indication of the average costs of having a priest in a parish, not only the costs of stipend, pension and housing, but also the costs of training up successors, and supporting and resourcing both the clergy and parishes more widely.

We wanted to widen awareness of the implications of PMC being the average: averages involve some figures higher than the average balancing some figures lower than the average. So we wanted to encourage more and more parishes to give more in parish share than the average cost shown in PMC in order to balance the parishes which cannot give as much as the average cost.

And we wanted to ask every parish to think about what they could aspire to give by way of parish share not just in the next year, but in the next 3 to 5 years, encouraging parishes to aim high and set stretching but realistic aspirations. When we set ourselves goals which are within our comfort zone, we can have a high degree of confidence we will achieve them. But we tend to achieve less than if we set ourselves stretching goals, even if we can’t always fully achieve those more stretching goals.

The response has been really encouraging.

In the short term, parishes pledged – and are paying – a magnificent 4% more in total in parish share this year compared to 2021, and we have really seen the impact of the averaging effect: 41 parishes increased their pledge by over 20%, 75 by over 10% and 141 or around a third by over 5%, all of which balanced those who couldn’t increase as much, to give us that average increase of 4%.

Over a longer horizon, 75% of the parishes who have responded so far with aspirations for future years are aspiring to increase the percentage of average PMC they pledge as parish share, whether that is paying closer to the average cost or whether it is paying over the average cost. The aspirations are to increase the amount of parish share pledged by around 20% over 3 years. If that could be extrapolated across the whole of the diocese to those who haven’t responded yet, and if those aspirations could be only half realised, we would be looking at parish share of around £15m in 3 years’ time, compared to £13.5m in 2022.

That would allow us to plan for not only no further reductions in clergy numbers, but perhaps even some growth.

We are however acutely conscious of two things: first that some may feel in light of the current financial challenges that the aspirations they gave are no longer so realistic; and secondly that we are still missing responses from a lot of parishes.

So we are asking every parish who has already given their aspirations to review them, and every parish who has not yet done so to give aspirations for 2024 and 2025 together with their pledge for 2023.

That will then enable us to plan for the future in the first half of next year, as we put together the missional aspirations from the mission action plans with the financial aspirations which give an indication of what resourcing we might have in the future to create plans for discussion with deaneries of how best to resource parish ministry in the future: both stipendiary ordained ministry, other forms of ministry and support for all that ministry.

Despite the current financial challenges, we do very much believe that it is possible to achieve both balanced budgets and growth in parish ministry in future, and I want to share two final thoughts to explain why.

The first is the power of many people making small changes. We have a worshipping community of over 40,000 people in the Diocese of Chichester. If each person could give an additional £1.50 a week, and half of that was given to the diocese through parish share, that would produce the additional £1.5m in parish share that would take us to £15m – and an additional £1.5m for parish ministry as well.

But while for some this additional giving wouldn’t even be noticeable, for others it is wholly unachievable, which brings us back to the point about averages and the need for those who can do more to do so. It is striking that although the parishes of the diocese of Chichester have *in total* reported a surplus of unrestricted income over expenditure for each of the last 5 years except 2020, with a total 5 year surplus of over £5m, this is very unevenly distributed: 60% of parishes have recorded a surplus over the last 5 years but 40% have recorded a deficit. That reinforces that we can only reach this growing future if those who can give more than the average rise to the challenge.

We know that all of this can only be achieved with the grace of God. For the moment, we are simply asking parishes to tell us if they are willing to strive towards this growing future so that we know if we can plan for that as we address the third and final stage of the deanery planning exercise next year, or if we need to make more radical adjustments to how we minister across Sussex. The second letter of St Paul to the Corinthians[[2]](#footnote-2) serves as a challenge to inspire us. Can we as a diocese set our sights on sowing bountifully, so that we may also reap bountifully?

Either way, we know that the ministry and support for it which flows to our parishes is possible only because of the generosity of our parishes and congregations, both in financial terms and in terms of the extraordinary devotion of time and talent from so many. Thank you for all you do.

Gabrielle Higgins

Diocesan Secretary

1. The remaining £600k increase from 2020-2023 is made up of £200k more on clergy housing, £150k less in grants and donations, £150k larger contingency, and £100k miscellaneous items [↑](#footnote-ref-1)
2. II Corinthians 9:6 [↑](#footnote-ref-2)