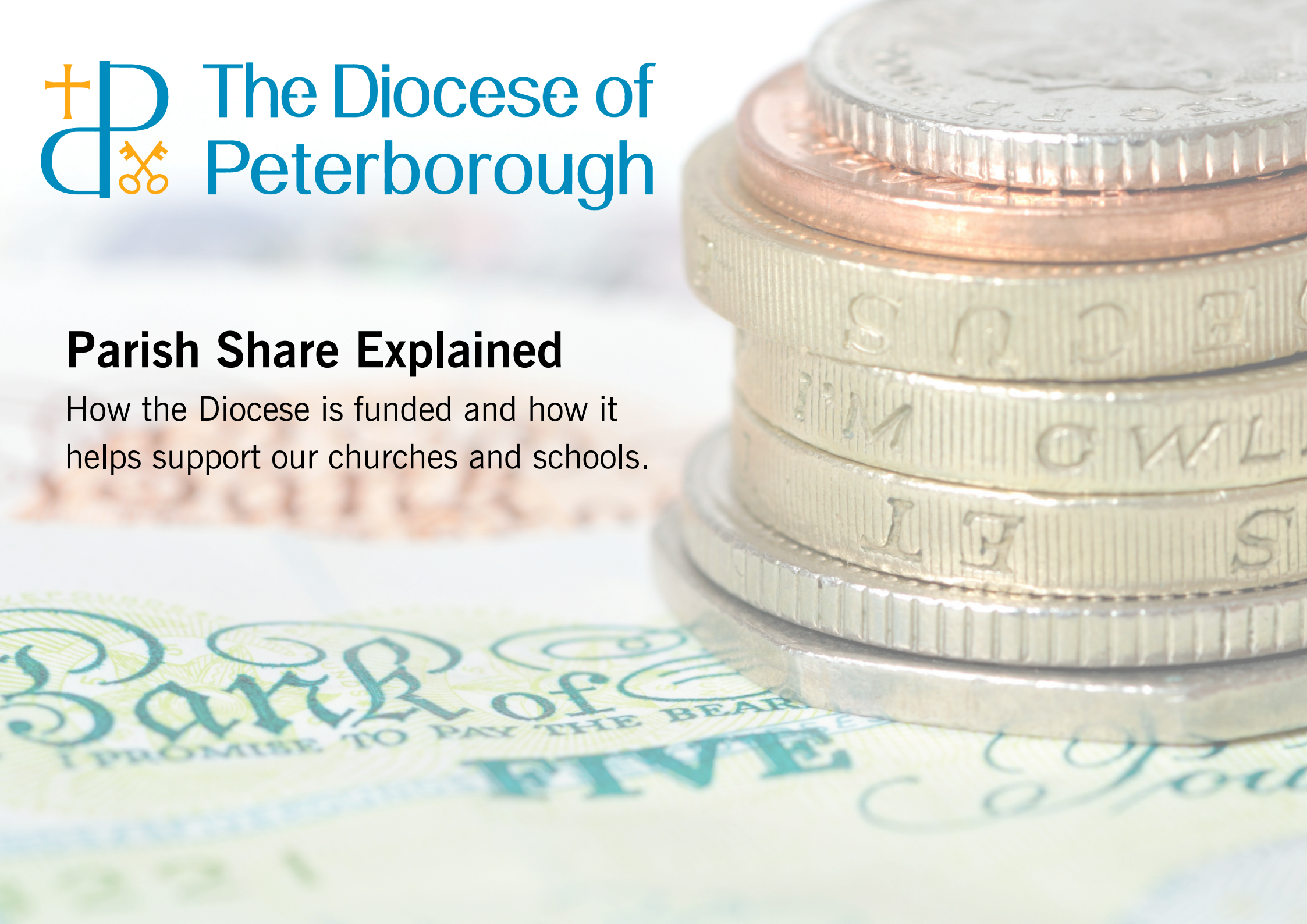




## **Parish Share Explained**

How the Diocese is funded and how it helps support our churches and schools.



## Introduction

The Diocese of Peterborough is the Church of England in Peterborough, Northamptonshire and Rutland, bringing the good news of Jesus to all who live and work here.

Around £10m each year directly or indirectly supports Church of England mission and ministry through parishes, churches and other worshipping contexts, our schools and partner agencies across the Diocese.

That's a huge amount of money to raise each year, so we have a duty to manage and deploy it well.

This document sets out to explain how we do just that. But, before we begin, what or who is 'the Diocese of Peterborough'?

The Peterborough Diocesan Board of Finance (PDBF) is an incorporated, charitable body that is the Diocese's financial executive.

A separate legal entity, the Peterborough Diocesan Board of Education (PDBE), serves and advises our church schools.

The PDBE receives an annual grant of £252,275 from the Board of Finance, but is otherwise funded from education income streams.

In the face of challenging economic times, the continued generosity and commitment of our congregations is essential.

For 2025, the deficit is budgeted to be around £2.4m. This is on top of a £1m deficit in 2024 and £457k deficit in 2023.

The Peterborough Diocesan Board of Finance is committed to making sure our resources are used efficiently, effectively, and responsibly.

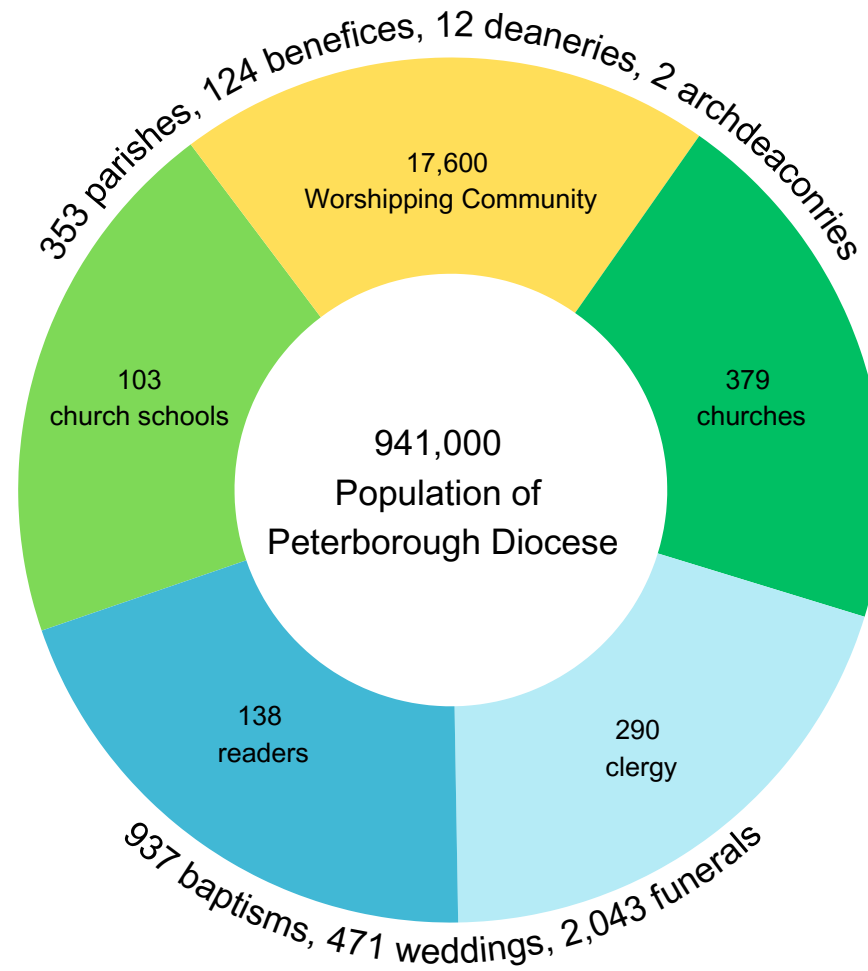


Andrew Roberts, Diocesan Secretary



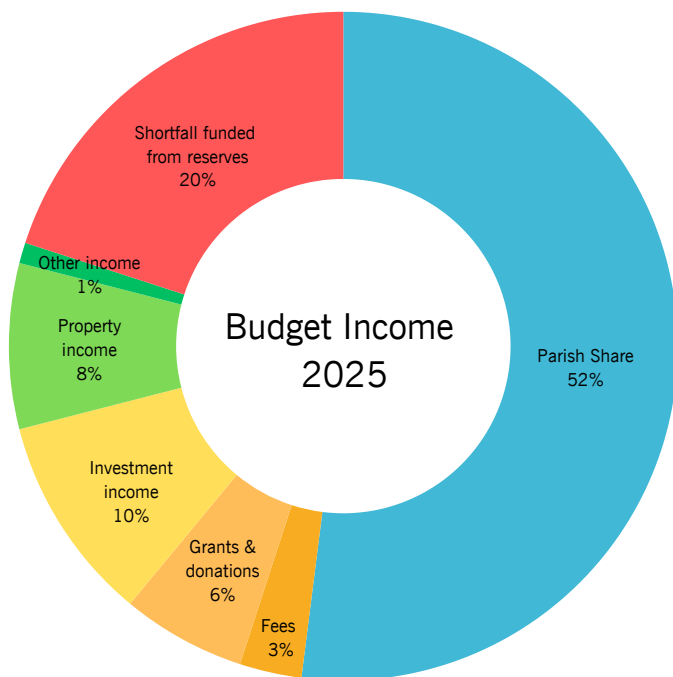
The Rt Revd Debbie Sellin, Bishop of Peterborough

## Who we are

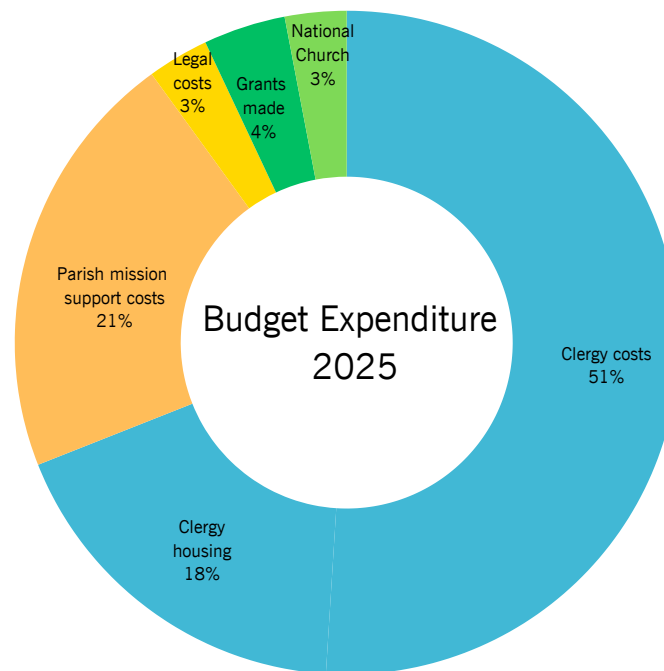




## Income & Expenditure



	£	%
Parish Share	6,432,786	52
Fees	350,000	3
Grants & donations	783,068	6
Investment income	1,215,602	10
Property income	965,700	8
Other income	206,088	1
Shortfall funded from reserves	2,431,566	20
	12,384,810	100



	£	%
Clergy costs	6,366,462	51
Clergy housing	2,188,011	18
Parish mission support costs	2,564,622	21
Legal costs	408,463	3
Grants made	536,275	4
National Church	320,977	3
	12,384,810	100

## Where the money comes from

The Parish Share, raised by our church congregations, will account for around 65% of the money the Diocese receives to fund the core budget in 2025. This assumes we receive 80% of the share requested. Taken together, the Parish Share, Fees, Glebe and other investment income means that we can support, house and train our clergy.

But the money goes beyond simply maintaining the status quo. It means we can be a generous, self-sustaining and growing community of Christians – one that's capable of funding the level of change required for the future Church together with many new ministry and mission projects each year.

### Parish Share

The Parish Share is the amount of money that each parish is asked to contribute to support the cost of provision of mission and ministry of the Church in the Diocese and beyond.

It's the responsibility of us all, an essential part of our discipleship and how our clergy are funded.

We are in the process of reviewing the parish share system with changes planned for implementation in 2026. The review will be undertaken in 2025 and stakeholders will be consulted.

### Investment income

Our investments in stocks and shares and bank deposits generate £1.2m of income. The Diocese also holds land, known as Glebe, which accounts for £0.5m of our annual income. This is held as an endowment fund to pay the parish priests centrally.

### Property income

During a parish vacancy, the property team in the Diocesan office works to prepare the vicarage for the next incumbent and to let out the property during the interregnum when appropriate.



## Where the money comes from

### Parochial Fees

It is a statutory requirement for diocesan boards of finance to collect a portion of the parochial fees (the monies charged by parishes for occasional offices) each year.

### Church Commissioners

The Diocese receives various funding from the Church Commissioners. Around £800k is provided – this helps support mission and ministry in areas of lowest income,

In addition, we receive time-limited income to support certain initiatives, such as first incumbent posts and additional curates.

### Use of reserves

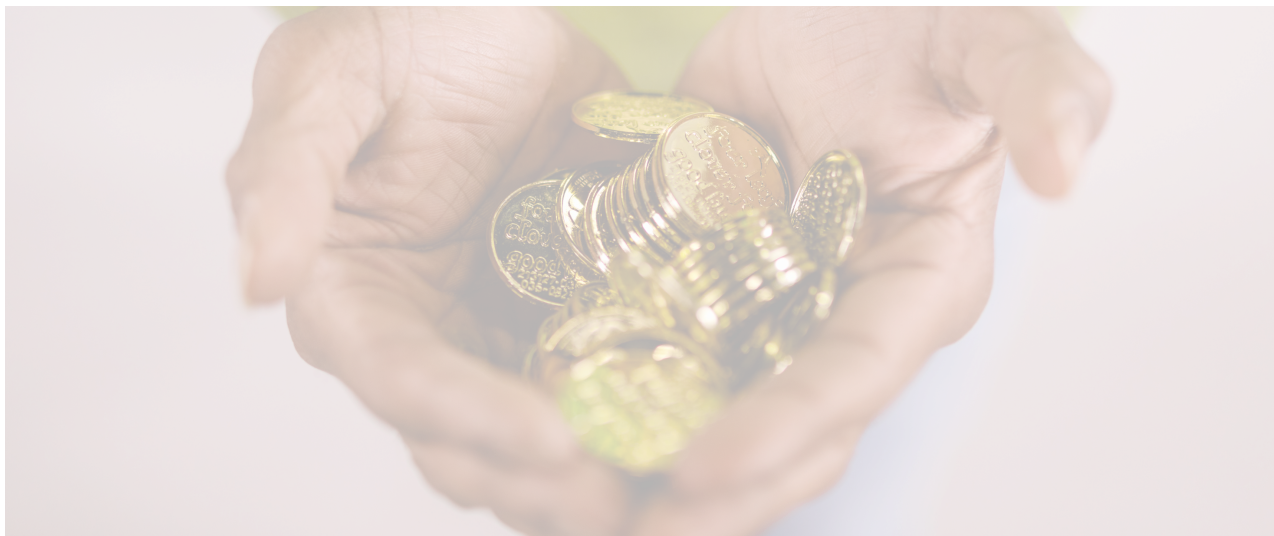
There is insufficient income to fully meet the level of resources we need for 2025.

The gap, referred to as the budget deficit, of £2.4m is being met from general reserves.

These reserves are finite in nature and only allow for budget deficits to be met in the very short term.

Unless income rises to close this gap, tough decisions will need to be taken on the future level of resources we can afford to deploy.

The financial challenge section talks about this in more detail.



## How we allocate our resources

### Clergy costs

Clergy stipends are by far the biggest area of our expenditure and accounts for 51% of budget, some £6.4m before other contributions to clergy resourcing such as grants, training and housing.

Grants are available for resettlement and removal costs when joining the Diocese, and for clergy in their first incumbent appointments.

We also fund Permission to Officiate clergy fees who are responding to ministry in vacant parishes.

Church and society are changing rapidly. We support those who are discerning a call to ordained or lay ministry and equip them to respond well to the challenges of ministry today: community outreach, ministering to more than one church, and handling conflict.

It is vital to the future of the Church that we select and prepare great people for ministry, whatever form that takes.

### Clergy housing

Our property team oversees the repair and maintenance of almost 200 vicarages and other properties. Together with rental costs, housing allowances, council tax, buildings insurance and other bills, gross costs in this area are around £2.2m each year.

Staffing and administration costs account for 4% of this expenditure.

### Parish mission and support costs

Mission and ministry staff support all our clergy and offer ongoing support to every parish, including parish development work in vacancy, parish planning and strategy work.

A centralised team of staff provide support and centralised functions for the whole Diocese including finance, safeguarding, the DAC, communications and governance.

### Legal costs

This expenditure relates to legal advice, the Diocesan Chancellor's office, and faculty fees.

The Diocesan Registry provides legal advice relating to parish officers, diocesan officers and bodies and members of the public on church law and relating to property matters.

### Grants made

In addition to grants made under resourcing ministry and mission, £536k has been approved to allocate to our schools (£252k) and across the Diocese (£284k).

### National Church costs

This relates to our contribution to the workings and ministry of the national church. It takes into account the contribution to the operational budget, mission agency pensions and grants that are made by the national church and to the Retired Ministry Housing Scheme.

## How we allocate our resources

The majority of our total costs is spent on clergy expenditure. Here is a breakdown of those costs:



### Stipend related costs for each post

	£
Stipend	31,478
National Insurance	2,840
Pension	7,938
Moving & resettlement grants	2,852
<b>Total</b>	<b>45,108</b>



### For each diocesan house used by clergy

	£
Council tax & water	4,935
Planned and reactive maintenance	8,595
Other property costs	3,564
<b>Total</b>	<b>17,094</b>



### Training & support for clergy

	£
Ordinand & clergy training	4,631
National church support	2,508
<b>Total</b>	<b>7,139</b>

Additionally the parish mission support costs are £7,387 per clergy person.

This means that the total expenditure for each member of clergy is £76,728.



## The financial challenge

In the income and expenditure section, we highlighted the budget gap of £2.4m for 2025. We also mentioned that using reserves to plug the gap can only be a strategy used in the very short term. In the current financial climate, we estimate there may be 5 years of general reserves available.

Income is reducing overall, or in some areas at best remaining stable. We need to explore how we grow our income base, at the same time as ensuring that our outgoing resources are examined to become the most efficient. We are currently undertaking a governance review looking at structures within the Diocese.

At the same time, inflationary pressures are growing, including the need to meet annual pay awards to partly mitigate the effect of the cost-of-living crisis for our clergy and staff.

We know growing – and growing younger – will help build a financially stable future. We are committed to helping parishes do this.

### Parish Share

We need to protect and grow the current level of Parish Share receipts. This can best be achieved by improving the financial stability of our parishes, in terms of:

- Growth in volume – through growing congregations who are engaged in generous giving;
- Asking congregations to prayerfully review their giving;
- Exploring new and returning income streams through trading, fundraising and grants;
- Helping reduce expenditure costs through joint purchasing etc.

In 2017, parishes contributed 91% (£7m) of the Parish Share requested. We need to work towards returning to this level of financial sustainability.

### Grant income

We receive funding annually from the Church Commissioners. We are also bidding for strategic funding to deliver our strategic aims, including driving for growth across the Diocese, which in turn should support parishes' ability to readily afford their Parish Share requests.

### What next?

The reality is that if we as a Diocese are unable to close the financial deficit gap using central efficiency savings, increased grants and generous giving, collective decisions will have to be made about which resources can be financed going forward.