

B Reducing income from the Church Commissioners



In 1963 the Church Commissioners paid for 75% of stipends. Today they fund around 10% of the cost of parish clergy nationally, but in many dioceses and parishes there is no ongoing support.

The reasons for this are an imbalance between the investment earnings of the Commissioners' funds and the amount they have historically paid for in the life of the Church. It is an open question why this has happened but it is clear that the Church has been living beyond its means for a number of years and funding from the Commissioners can no longer be the comfort it once was.

Impact on personal giving

Due to rising costs and the decline of the Commissioners' contributions, personal giving has had to more than double in real terms.

If the level of stipendiary clergy had not declined over that period it would have needed to treble.

In 2015, planned gifts to church averaged over £14/week across the Diocese of Bristol.

Across the Diocese of Bristol, we are united in our desire to see the Church grow and see God's Kingdom come. As well as sharing in the fruits of God's Kingdom, we also share the responsibility to resource it.

If we are to raise the funds needed to train future ministers and lay leaders, support existing ones, and invest in Christian schools then we need to follow the Early Church's example and live more generously, holding everything in common to the glory of God.

We all need to play our part and take responsibility for the support and ministry we receive, show generosity to others because God is so generous to us, and have faith that God will provide all we need for His mission.

To find out more, visit www.bristol.anglican.org/stewardship



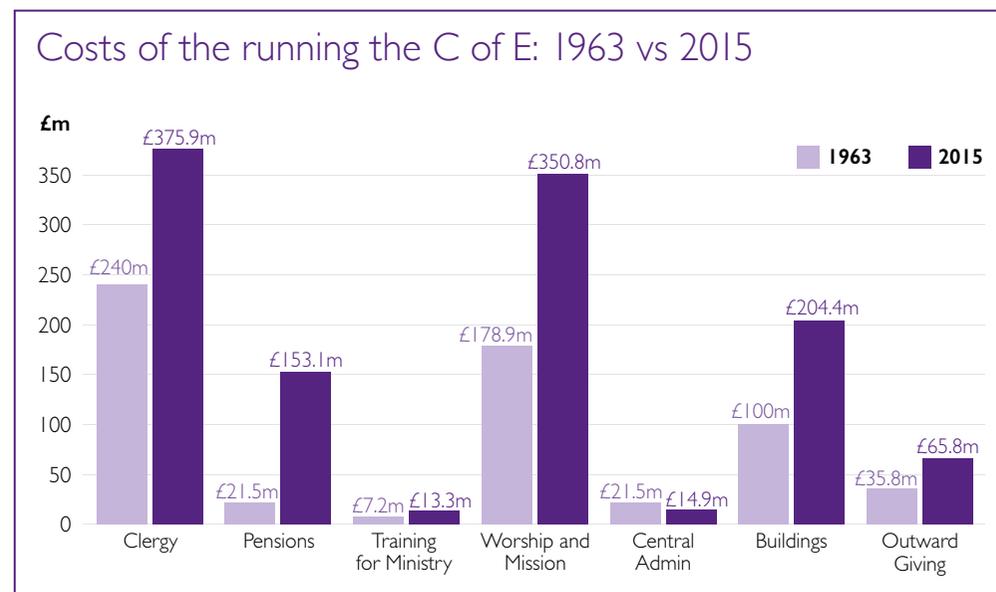
How is the Church funded?



One of the greatest mysteries to long-standing churchgoers is why the Church of England once provided ministry for 'free' but now, despite having fewer clergy, needs ever-increasing donations. This document outlines the main costs of running a parish church, and its sources of income.

It costs just over £1000m a year to run the Church of England, financing its 13,000 parishes and 43 cathedrals. Around three-quarters of this comes directly from worshippers in the parishes. Another 16% comes from the Church Commissioners who manage assets of £7.9b (2017) on behalf of the Church¹. The remaining 9% comes from income on parish and diocesan reserve funds, and fees paid for weddings, funerals and chaplaincies.

The graph below shows the changes in the costs of running the Church of England over the 52 years up to 2015, adjusted for inflation (RPI).



¹ These assets are an endowment for future generations of the church, and therefore the capital is retained and any spending comes out of the income made on this investment. This income pays towards clergy pensions, Bishops costs, and Diocesan grants for poorer parishes.

Local parish churches are independent charities, and the members of the church council (the PCC or Parochial Church Council) are trustees. There are many costs involved in operating a parish church, both running costs (Parish Share, energy bills, office bills, upkeep of church fabric etc) and capital costs (building works, replacing or buying equipment etc). In the Diocese of Bristol, the average cost of running a parish or group of parishes is £89,600 per year.²

There are two basic reasons why the Church has become much more reliant on parishioner donations in recent years:

A increasing costs of ministry: the cost of running the Church has increased well ahead of inflation, and

B reducing income from the Church Commissioners: their historic contributions have decreased significantly as less money is available.

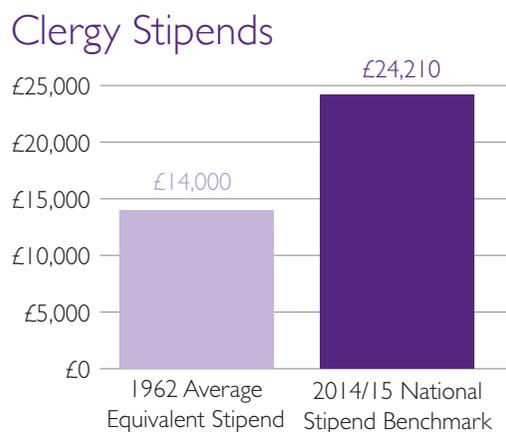
A Increasing costs of ministry

In the past 52 years the cost of running the Church has gone up in real terms by 70% from £600m a year to just over £1bn. This is due to:

Improving clergy living standards

Without private means or wealthy benefactors, up until the 1960s clergy often lived in dreadful conditions. A series of measures have since sought to ensure a fairer treatment of clergy, addressing stipend levels, pensions and housing.

All this essential reform came with a financial cost. Whilst it was borne initially by the Church Commissioners, it has passed to dioceses and so to Parish Share. Although direct comparison is difficult, the average equivalent stipend has increased significantly, as can be seen in the graph opposite:



The cost implications of the pension scheme are easy to see in the graph overleaf: a sevenfold increase from an equivalent £21.5m in 1963 to over £150m in 2015.

Worship and ministry

This category covers virtually all the 'other' parish costs and initiatives by dioceses and the national Church to support parish ministry and mission. Such costs have increased from £179m to £351m over the 52-year period.

The reasons for this appear connected to the rise of new costs, such as youth workers and travel, which have been introduced to help cope with declining clergy numbers. Also notable is the cost of heating; a warm Church is now an expectation, not a luxury.

Buildings

The cost of maintaining, reordering and extending our church buildings has doubled in real terms. Three factors are thought to be causing this:

- The decline in the availability of traditional craftsmen and materials
- Increasing regulation (disability access, conservation, health & safety etc)
- Higher expectations of facilities (e.g. lavatories, lighting etc)

Together these mean that church buildings cost more than ever to keep open. The grant funds available to fund repairs and reordering are also diminishing. The National Churches Trust, AllChurches Trust and other funders now have only a limited role in helping with this challenge.

Central administration

This includes Diocesan and national Church administration. Due to the efficiency of modern business systems, it is the only cost that has gone down over the period in real terms.

Outward giving

It is heartening that, despite all these cost pressures, the Church has maintained a principled approach to outward giving to other charitable causes.

²When the total diocesan budget is apportioned to each parish or grouping of parishes with a share of a full-time clergy post.