

# Parish Finance Statistics 2016

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## Summary

This report contains a national summary of the financial position of Church of England parishes in 2016, as measured through the annual Return of Parish Finance. To provide meaningful comparisons, data from 2007-2016 are included. Summary parish finance statistics aggregated to diocesan level are included in an electronic appendix. This report does not include financial information from Cathedrals.

### Overview

- The total income of Church of England parishes in 2016 was £1,044 million.
- The total expenditure of Church of England parishes in 2016 was £1,007 million.
- Income and expenditure have risen steadily from 2007-2016.
- Real terms income and expenditure both fell from 2007 to 2012/2013, and have subsequently risen; real terms income and expenditure levels in 2016 are similar to those from 2007.
- Weekly average planned giving per planned giver in 2016 was £12.30. This has risen in both actual and real terms since 2007.
- The number of planned givers in 2016 was 525,000. There has been a steady fall from 633,000 planned givers in 2007.
- The fall in planned givers and the rise in giving per giver have combined to keep planned giving reasonably stable in real terms from 2007 to 2016.

### Main items of parish income and expenditure

Main items of parish income, 2016:

- Giving (including planned giving, collections, and other giving including special appeals): 47% of income
- Trading income: 11% of income
- Gift Aid recovered: 9% of income
- Grants: 9% of income

Main items of parish expenditure, 2016:

- Diocesan parish share contribution: 33% of expenditure
- Capital expenditure: 19% of expenditure
- Church running costs and governance: 14% of expenditure
- Salaries: 11% of expenditure

## Parish-level income and expenditure

The median level of income for a Church of England parish was £45,000 in 2016. The median level of expenditure for a Church of England parish was £43,000.

The median level of planned giving for a parish was £12,000 in 2016.

The median diocesan parish share contribution paid by a parish was £16,000 in 2016.

25% of parishes had incomes of £20,000 or less in 2016; 25% of parishes had incomes of £100,000 or more in 2016.

5% of parishes had incomes of £6,000 or less in 2016; 5% of parishes had incomes of £275,000 or more in 2016.

## Acknowledgements

Figures in this report have been collated from the annual Returns of Parish Finance completed each year on behalf of Parochial Church Councils (PCCs). We are extremely grateful to the many thousands of people who have been involved in the preparation and submission of these figures. We are grateful to colleagues in the Diocese in Europe for providing summary finance information for the chaplaincies in the Diocese in Europe.

We are also grateful to colleagues in Church House, particularly those in the Finance and Resources team, for their assistance and advice in the preparation of this report.

## Note on definitions

In general, this report uses the same income and expenditure categories as the Return of Parish Finance. Descriptions of categories of income and expenditure have been chosen to allow straightforward identification with the Return of Parish Finance, a copy of which can be found at the end of this report. In some cases, categories have been combined, in the interest of clarity, brevity, or the logical grouping of similar items.

## Parish financial overview

In 2016 the total income of Church of England parishes was £1,044 million; the total expenditure of Church of England parishes was £1,007 million.

Total income and expenditure have both increased between 2007 and 2016 (Figure 1; Table 1). Income has exceeded expenditure each year from 2012 onwards.

In Table 1, expenditure has been split into operating expenditure (expenditure excluding capital expenditure) and capital expenditure. It can be seen that whilst overall expenditure had grown substantially from 2007 to 2016, capital expenditure has been reasonably stable over the same period.

Figure 1: Parish income and expenditure, 2007-2016

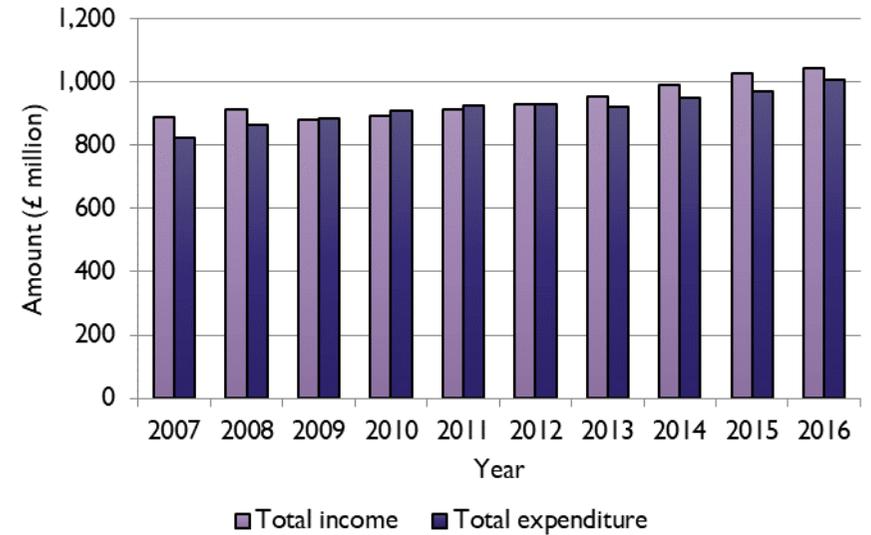


Table 1: Parish income and expenditure overview, 2007-2016<sup>1, 2</sup>

| Year | Total income   | Expenditure excluding capital expenditure | Capital expenditure | Total expenditure | Surplus   | Surplus as percentage of income |
|------|----------------|---|---------------------|-------------------|-----------|---------------------------------|
|      | £ million      | £ million                                 | £ million           | £ million         | £ million |                                 |
| 2007 | <b>891.3</b>   | 638.1                                     | 184.0               | <b>822.1</b>      | 69.2      | 7.8%                            |
| 2008 | <b>914.6</b>   | 679.3                                     | 186.8               | <b>866.1</b>      | 48.5      | 5.3%                            |
| 2009 | <b>880.2</b>   | 699.6                                     | 186.3               | <b>885.9</b>      | -5.7      | -0.6%                           |
| 2010 | <b>892.2</b>   | 714.1                                     | 196.8               | <b>910.9</b>      | -18.7     | -2.1%                           |
| 2011 | <b>912.5</b>   | 723.2                                     | 201.1               | <b>924.3</b>      | -11.8     | -1.3%                           |
| 2012 | <b>928.9</b>   | 743.0                                     | 185.4               | <b>928.4</b>      | 0.6       | 0.1%                            |
| 2013 | <b>953.0</b>   | 763.3                                     | 157.5               | <b>920.8</b>      | 32.2      | 3.4%                            |
| 2014 | <b>990.4</b>   | 779.3                                     | 169.6               | <b>948.9</b>      | 41.5      | 4.2%                            |
| 2015 | <b>1,026.1</b> | 796.8                                     | 175.2               | <b>972.0</b>      | 54.1      | 5.3%                            |
| 2016 | <b>1,044.3</b> | 811.8                                     | 195.8               | <b>1,007.5</b>    | 36.7      | 3.5%                            |

<sup>1</sup> Capital expenditure includes major repairs to the church building; major repairs to the church hall or other PCC property, including redecoration; and new building work to the church, church hall, clergy housing, or other PCC property.

<sup>2</sup> Finance information from the chaplaincies in the Diocese in Europe is not collected through the annual parish returns, so directly comparable figures are not available. Aggregate data provided by the Diocese in Europe gave the total income of chaplaincies in the Diocese in Europe as £10.4 million and total expenditure as £10.4 million in 2016.

## Giving

Giving has increased steadily over the past decade, reaching £494 million in 2016 (Figure 2, Table 2).

In 2016, 68% of giving was planned giving (tax efficient planned giving plus other planned giving); 12% was collections at services; 20% was all other giving, including special appeals. 89% of planned giving in 2016 was tax efficient planned giving.

£91 million of Gift Aid and Gift Aid Small Donations was recovered in 2016. This is equivalent to 18.5% of the giving total, so is claimed on 74% of giving income.

While the amount of planned giving has risen over the past decade, the number of planned givers (tax efficient planned givers plus other planned givers) has fallen; the weekly average amount of planned giving per planned giver has risen from £8.60 in 2007 to £12.30 in 2016 (Figure 3).

In 2016, 84% of planned givers were tax efficient planned givers.

In 2016 the number of planned givers corresponded to approximately 58% of the adult worshipping community of the Church of England<sup>3</sup>. Note that givers as reported in the Return of Parish Finance are really “giving units” and in some cases will refer to a couple or a family.

Figure 2: Giving breakdown, 2007-2016

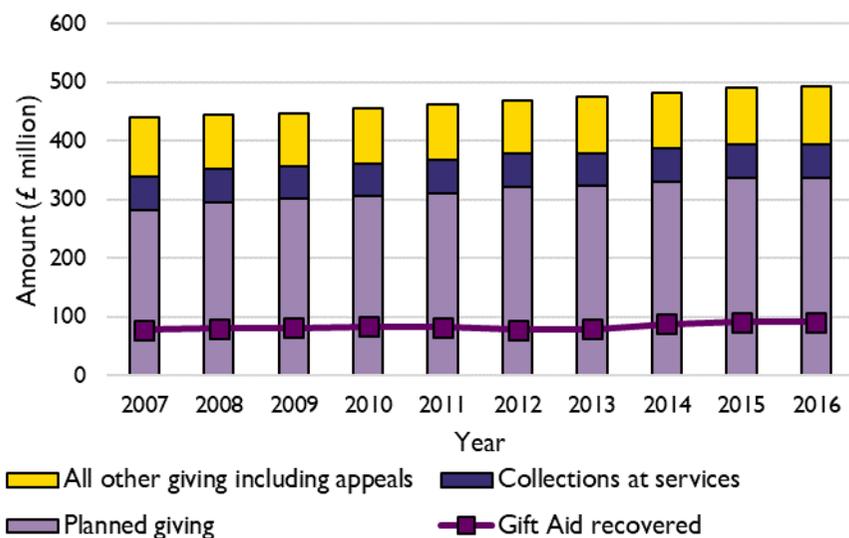
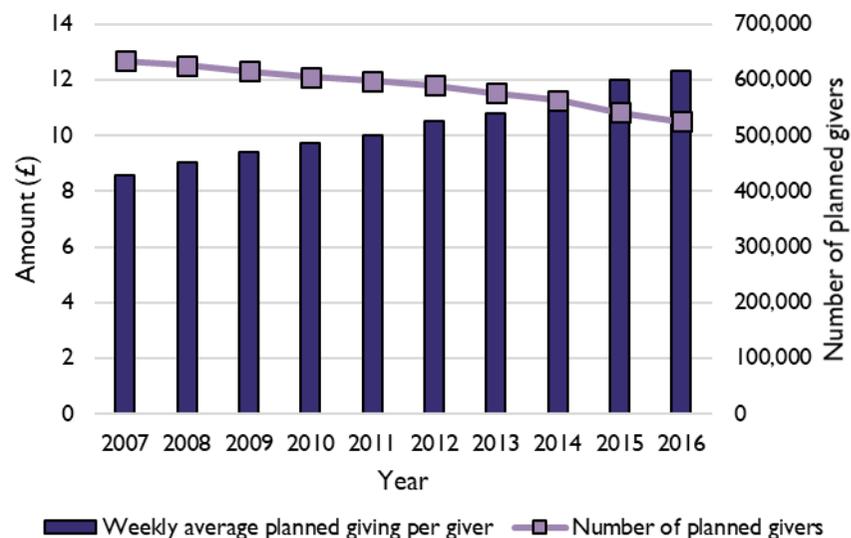


Figure 3: Planned giving and givers, 2007-2016



<sup>3</sup> For more information about the Church of England’s worshipping community, see the Statistics for Mission reports, accessible via the Research and Statistics web site.

Table 2: Giving and givers, 2007-2016<sup>4, 5</sup>

| Year | Planned giving | Collections at services | All other giving including appeals | Total giving | Gift Aid recovered | Number of planned givers | Weekly average planned giving per giver |
|------|----------------|-------------------------|------------------------------------|--------------|--------------------|--------------------------|---|
|      | £ million      | £ million               | £ million                          | £ million    | £ million          |                          |   |
| 2007 | 282.1          | 58.2                    | 100.2                              | <b>440.5</b> | 78.7               | 633,000                  | <b>£8.60</b>                            |
| 2008 | 294.7          | 58.1                    | 92.3                               | <b>445.1</b> | 80.1               | 626,000                  | <b>£9.10</b>                            |
| 2009 | 301.1          | 55.8                    | 89.3                               | <b>446.2</b> | 82.2               | 615,000                  | <b>£9.40</b>                            |
| 2010 | 305.4          | 54.9                    | 94.5                               | <b>454.8</b> | 84.2               | 605,000                  | <b>£9.70</b>                            |
| 2011 | 311.4          | 56.7                    | 95.2                               | <b>463.3</b> | 82.8               | 598,000                  | <b>£10.00</b>                           |
| 2012 | 321.8          | 56.6                    | 91.6                               | <b>470.0</b> | 78.5               | 590,000                  | <b>£10.50</b>                           |
| 2013 | 322.9          | 55.2                    | 96.4                               | <b>474.6</b> | 79.9               | 576,000                  | <b>£10.80</b>                           |
| 2014 | 329.6          | 57.2                    | 94.6                               | <b>481.4</b> | 88.3               | 563,000                  | <b>£11.30</b>                           |
| 2015 | 337.9          | 57.3                    | 95.5                               | <b>490.7</b> | 91.1               | 542,000                  | <b>£12.00</b>                           |
| 2016 | 336.4          | 57.9                    | 99.2                               | <b>493.5</b> | 91.4               | 525,000                  | <b>£12.30</b>                           |

<sup>4</sup> Planned giving includes tax efficient planned giving and other planned giving. The number of planned givers includes tax efficient planned givers and other planned givers. Total giving includes planned giving, collections at services, and all other giving including appeals.

<sup>5</sup> The total giving at chaplaincies in the Diocese in Europe was £6.5 million in 2016.

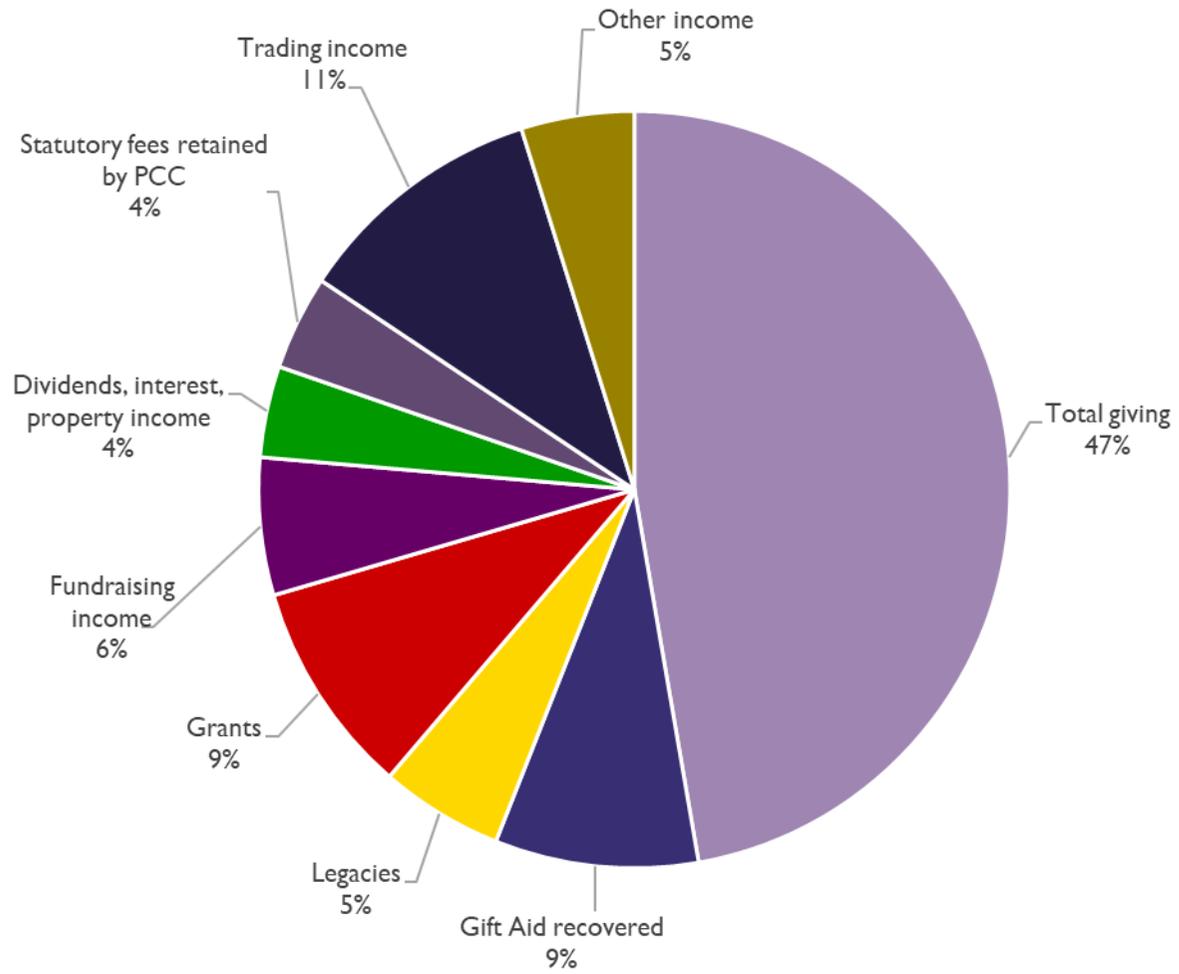
## Breakdown of parish income

The breakdown of income between different categories has been reasonably stable over the past decade (Table 3). In 2016, 47% of income was from giving; 11% was trading income; 9% was Gift Aid recovered; 9% was grants (Figure 4).

Table 3: Breakdown of parish income between income categories, 2007-2016

| Year | Total giving | Gift Aid recovered | Legacies  | Grants    | Fundraising income | Dividends, interest, property income | Statutory fees retained by PCC | Trading income | Other income | Total income |
|------|--------------|--------------------|-----------|-----------|--------------------|--------------------------------------|--------------------------------|----------------|--------------|--------------|
|      | £ million    | £ million          | £ million | £ million | £ million          | £ million                            | £ million                      | £ million      | £ million    | £ million    |
| 2007 | 440.5        | 78.7               | 45.7      | 80.7      | 51.8               | 51.8                                 | 30.4                           | 69.4           | 42.3         | 891.3        |
| 2008 | 445.1        | 80.1               | 48.0      | 77.3      | 54.5               | 57.8                                 | 32.1                           | 73.7           | 46.1         | 914.6        |
| 2009 | 446.2        | 82.2               | 42.7      | 68.8      | 53.9               | 34.0                                 | 32.8                           | 78.1           | 41.6         | 880.2        |
| 2010 | 454.8        | 84.2               | 43.8      | 71.0      | 55.9               | 30.4                                 | 34.8                           | 83.4           | 33.9         | 892.2        |
| 2011 | 463.3        | 82.8               | 44.2      | 69.0      | 59.3               | 32.8                                 | 34.4                           | 90.1           | 36.6         | 912.5        |
| 2012 | 470.0        | 78.5               | 44.1      | 70.3      | 57.2               | 37.0                                 | 35.0                           | 97.9           | 38.8         | 928.9        |
| 2013 | 474.6        | 79.9               | 49.7      | 72.1      | 58.2               | 37.8                                 | 40.5                           | 98.0           | 42.3         | 953.0        |
| 2014 | 481.4        | 88.3               | 52.7      | 82.2      | 59.2               | 38.9                                 | 41.3                           | 107.0          | 39.6         | 990.4        |
| 2015 | 490.7        | 91.1               | 55.1      | 87.9      | 61.6               | 38.7                                 | 44.3                           | 112.4          | 44.5         | 1,026.1      |
| 2016 | 493.5        | 91.4               | 55.3      | 96.0      | 61.3               | 40.7                                 | 42.3                           | 113.0          | 50.8         | 1,044.3      |

Figure 4: Breakdown of parish income between income categories, 2016



## Breakdown of parish expenditure

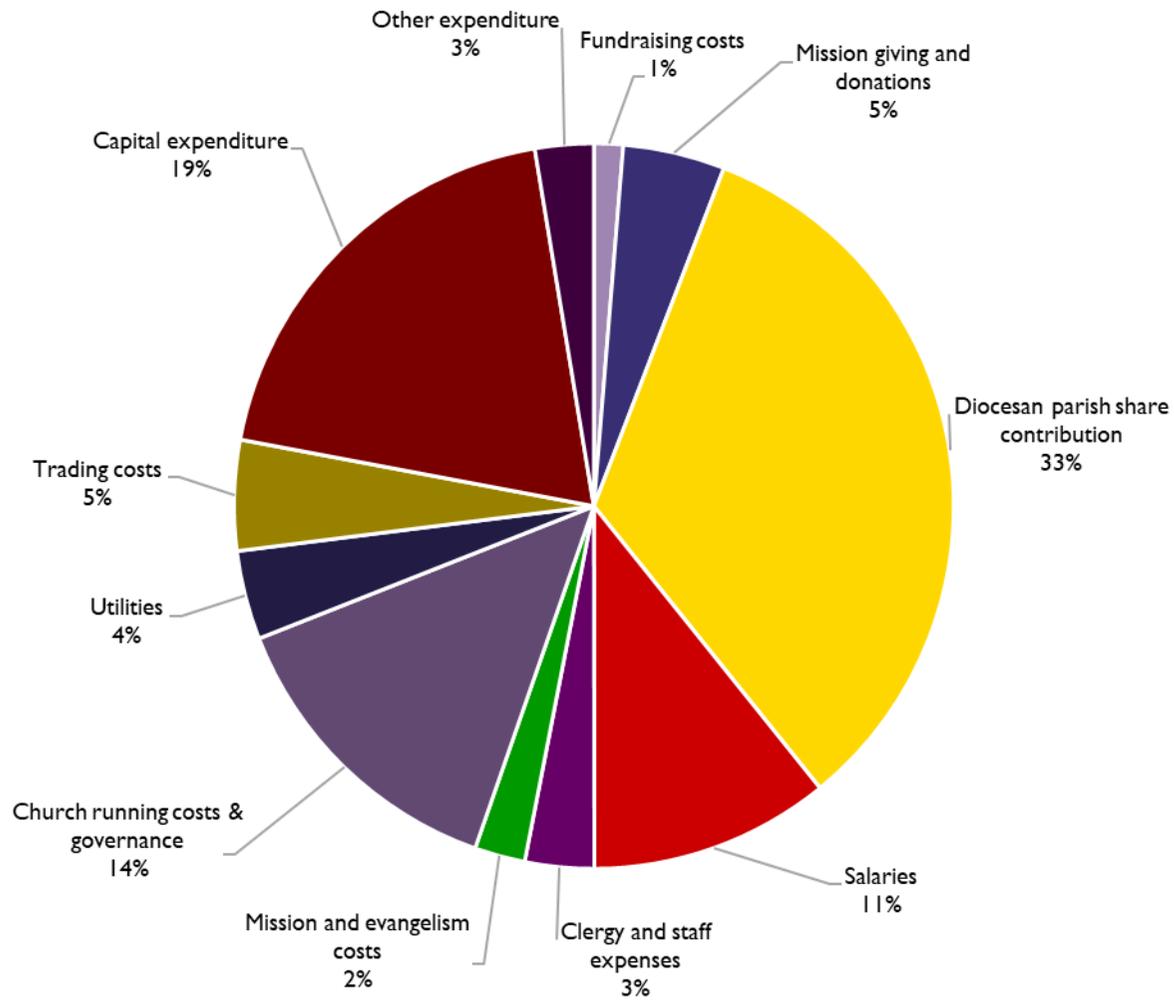
The breakdown of expenditure between different categories has been reasonably stable over the past decade (Table 4). In 2016, 33% of expenditure was the diocesan parish share contribution; 19% was capital expenditure; 14% was church running costs and governance; 11% was salaries (Figure 5).

Table 4: Breakdown of parish expenditure between expenditure categories, 2007-2016<sup>6</sup>

| Year | Fundraising costs | Mission giving and donations | Diocesan parish share contribution | Salaries  | Clergy and staff expenses | Mission and evangelism costs | Church running costs & governance | Utilities | Trading costs | Capital expenditure | Other expenditure | Total expenditure |
|------|-------------------|------------------------------|------------------------------------|-----------|---------------------------|------------------------------|-----------------------------------|-----------|---------------|---------------------|-------------------|-------------------|
|      | £ million         | £ million                    | £ million                          | £ million | £ million                 | £ million                    | £ million                         | £ million | £ million     | £ million           | £ million         | £ million         |
| 2007 | 10.0              | 48.3                         | 287.1                              | 70.2      | 32.7                      | 0.0                          | 118.3                             | 31.3      | 38.6          | 184.0               | 1.5               | 822.1             |
| 2008 | 10.2              | 50.8                         | 297.0                              | 77.0      | 32.0                      | 14.1                         | 121.4                             | 34.5      | 40.9          | 186.8               | 1.4               | 866.1             |
| 2009 | 10.4              | 48.1                         | 305.6                              | 83.5      | 32.1                      | 15.3                         | 121.2                             | 38.9      | 42.8          | 186.3               | 1.6               | 885.9             |
| 2010 | 11.7              | 48.2                         | 308.7                              | 86.6      | 32.0                      | 16.3                         | 124.9                             | 40.0      | 43.9          | 196.8               | 1.9               | 910.9             |
| 2011 | 11.4              | 49.1                         | 309.2                              | 86.4      | 31.2                      | 17.9                         | 131.0                             | 37.9      | 47.0          | 201.1               | 1.9               | 924.3             |
| 2012 | 12.6              | 46.2                         | 313.6                              | 89.4      | 33.1                      | 18.9                         | 138.7                             | 41.2      | 49.1          | 185.4               | 0.0               | 928.4             |
| 2013 | 12.8              | 46.0                         | 316.4                              | 93.8      | 32.8                      | 16.9                         | 133.1                             | 44.8      | 48.5          | 157.5               | 18.2              | 920.8             |
| 2014 | 12.4              | 46.3                         | 321.3                              | 100.5     | 33.8                      | 20.7                         | 134.3                             | 41.8      | 46.4          | 169.6               | 21.9              | 948.9             |
| 2015 | 13.5              | 47.4                         | 331.9                              | 103.3     | 33.1                      | 21.0                         | 132.9                             | 41.7      | 46.8          | 175.2               | 25.1              | 972.0             |
| 2016 | 13.2              | 46.2                         | 335.4                              | 108.8     | 31.3                      | 22.9                         | 137.9                             | 40.0      | 49.6          | 195.8               | 26.5              | 1,007.5           |

<sup>6</sup> Mission and evangelism costs were first recorded in 2008. Other expenditure was only collected from a small number of churches prior to 2013.

Figure 5: Breakdown of parish expenditure between expenditure categories, 2016



## Capital expenditure

Capital expenditure includes major repairs to the church building, major repairs to other PCC property such as church halls, and new building work.

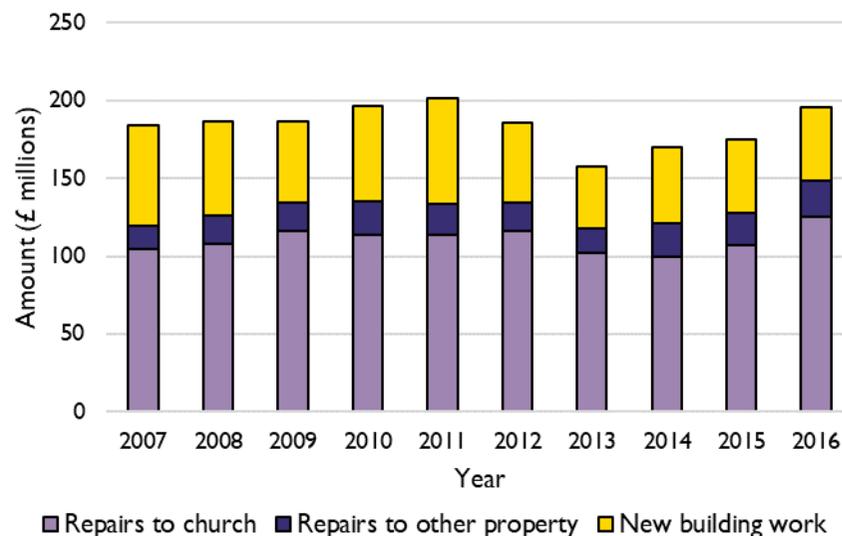
In 2016, Church of England parishes spent £196 million on capital works (Table 5). 64% of capital expenditure in 2016 was on repairs to church buildings; new building works accounted for 24% of capital expenditure; the remainder of capital expenditure was spent on repairs to other PCC property.

Capital expenditure fell from 2011 to 2013, since when it has increased (Figure 6).

Table 5: Parish capital expenditure breakdown, 2007-2016

| Year | Repairs to church | Repairs to other property | New building work | Total capital expenditure |
|------|-------------------|---------------------------|-------------------|---------------------------|
|      | £ million         | £ million                 | £ million         | £ million                 |
| 2007 | 104.3             | 15.6                      | 64.1              | <b>184.0</b>              |
| 2008 | 108.1             | 18.4                      | 60.4              | <b>186.8</b>              |
| 2009 | 116.0             | 18.7                      | 51.7              | <b>186.3</b>              |
| 2010 | 114.0             | 21.5                      | 61.2              | <b>196.8</b>              |
| 2011 | 113.5             | 20.1                      | 67.5              | <b>201.1</b>              |
| 2012 | 116.1             | 18.2                      | 51.1              | <b>185.4</b>              |
| 2013 | 101.7             | 16.4                      | 39.3              | <b>157.5</b>              |
| 2014 | 99.9              | 21.0                      | 48.6              | <b>169.6</b>              |
| 2015 | 106.7             | 21.1                      | 47.5              | <b>175.2</b>              |
| 2016 | 125.6             | 22.8                      | 47.4              | <b>195.8</b>              |

Figure 6: Parish capital expenditure breakdown, 2007-2016



## Real terms parish income and expenditure

Although both income and expenditure have increased from 2007 to 2016, both have been reasonably stable in real terms (i.e. when adjusted for inflation; to adjust for inflation, the CPIH, a measure of consumer price inflation including a measure of owner occupiers' housing costs, has been used - see p. 20 for details) (Table 6). Both income and expenditure fell slightly in real terms from 2007 to 2013, and both have subsequently risen slightly (Figures 7a, b). While levels of planned giving have been fairly stable in real terms, average weekly planned giving per planned giver has risen in real terms from £10.40 (expressed in 2016 money) in 2007 to £12.30 in 2016 (Figures 7 c, d).

Table 6: Actual and real terms parish income, expenditure, and planned giving, 2007-2016

| Year | Actual income | Real terms income | Actual expenditure | Real terms expenditure | Actual planned giving | Real terms planned giving | Actual weekly average planned giving per giver | Real terms weekly average planned giving per giver |
|------|---------------|-------------------|--------------------|------------------------|-----------------------|---------------------------|--|--|
|      | £ million     | £ million         | £ million          | £ million              | £ million             | £ million                 |  |  |
| 2007 | 891.3         | <b>1,080.7</b>    | 822.1              | <b>996.8</b>           | 282.1                 | <b>342.0</b>              | £8.60  | <b>£10.40</b>                                      |
| 2008 | 914.6         | <b>1,071.7</b>    | 866.1              | <b>1,014.8</b>         | 294.7                 | <b>345.3</b>              | £9.10  | <b>£10.60</b>                                      |
| 2009 | 880.2         | <b>1,011.4</b>    | 885.9              | <b>1,017.9</b>         | 301.1                 | <b>346.0</b>              | £9.40  | <b>£10.80</b>                                      |
| 2010 | 892.2         | <b>1,000.1</b>    | 910.9              | <b>1,021.1</b>         | 305.4                 | <b>342.3</b>              | £9.70  | <b>£10.90</b>                                      |
| 2011 | 912.5         | <b>984.7</b>      | 924.3              | <b>997.4</b>           | 311.4                 | <b>336.1</b>              | £10.00   | <b>£10.80</b>                                      |
| 2012 | 928.9         | <b>977.3</b>      | 928.4              | <b>976.7</b>           | 321.8                 | <b>338.6</b>              | £10.50   | <b>£11.00</b>                                      |
| 2013 | 953.0         | <b>980.2</b>      | 920.8              | <b>947.0</b>           | 322.9                 | <b>332.1</b>              | £10.80   | <b>£11.10</b>                                      |
| 2014 | 990.4         | <b>1,004.3</b>    | 948.9              | <b>962.2</b>           | 329.6                 | <b>334.3</b>              | £11.30   | <b>£11.40</b>                                      |
| 2015 | 1,026.1       | <b>1,036.4</b>    | 972.0              | <b>981.8</b>           | 337.9                 | <b>341.3</b>              | £12.00   | <b>£12.10</b>                                      |
| 2016 | 1,044.3       | <b>1,044.3</b>    | 1,007.5            | <b>1,007.5</b>         | 336.4                 | <b>336.4</b>              | £12.30   | <b>£12.30</b>                                      |

Figure 7a: Actual & real terms parish income, 2007-2016

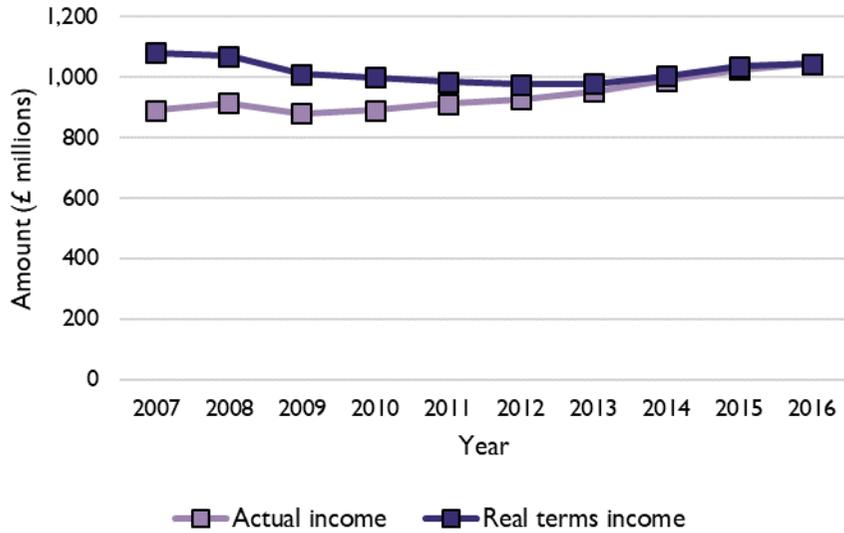


Figure 7b: Actual & real terms parish expenditure, 2007-2016

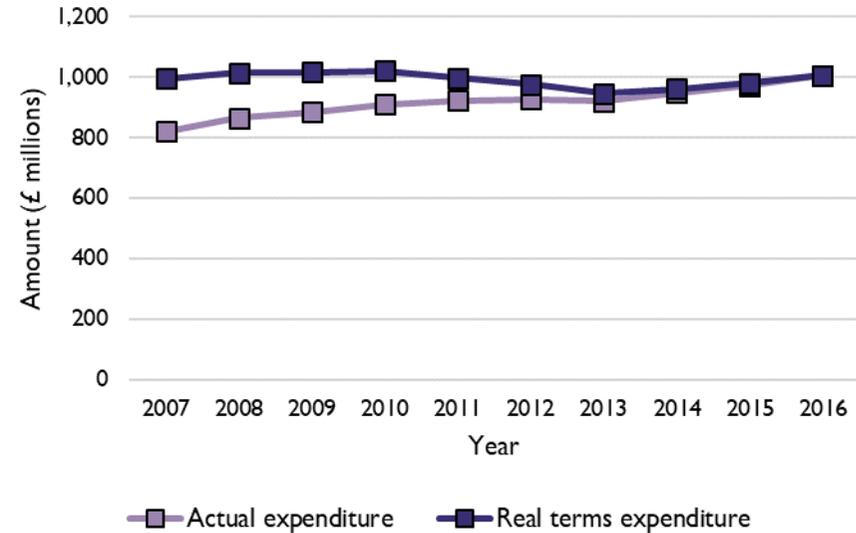


Figure 7c: Actual & real terms planned giving, 2007-2016

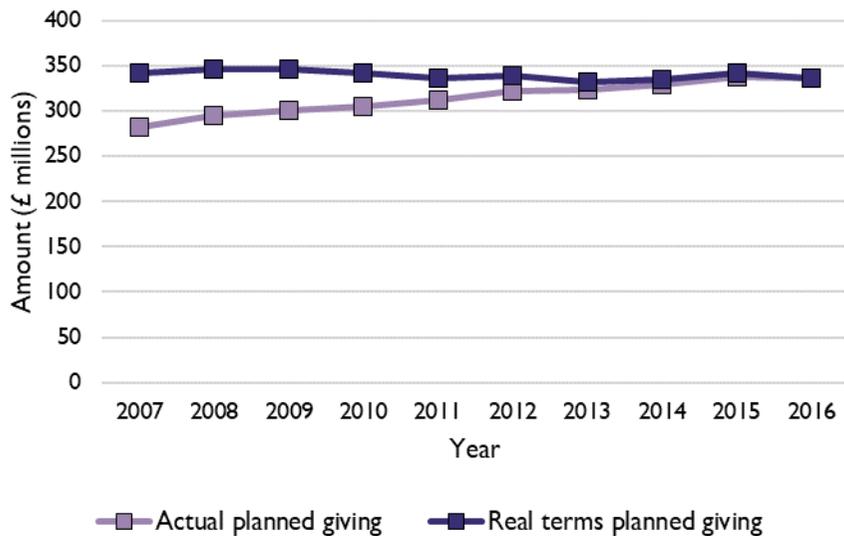
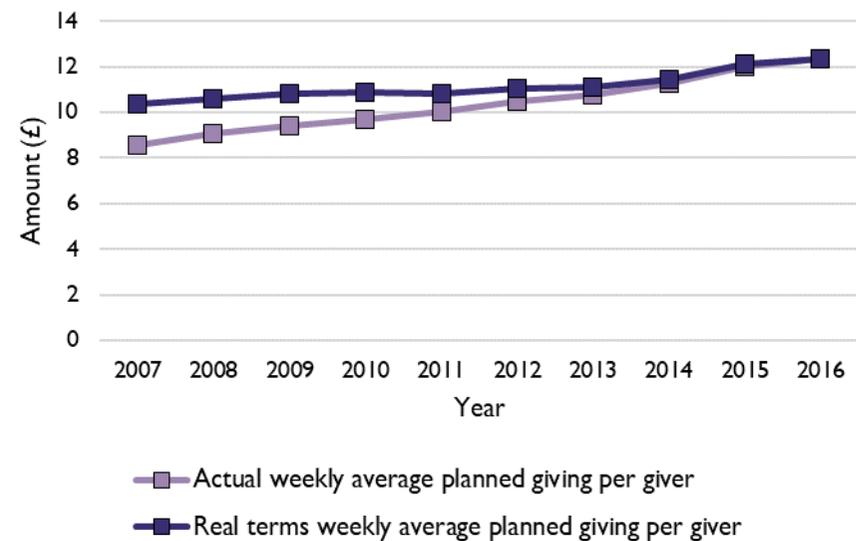


Figure 7d: Actual & real terms average weekly planned giving per giver, 2007-2016



## Parish-level finances

The national overview presented above includes financial information from parishes large and small. The 12,400 parishes of the Church of England cover a wide variety of financial situations, from parishes with an annual income and expenditure of a few thousand pounds to parishes with an annual income and expenditure of several hundred thousand pounds. The table below summarises the range of parish sizes, as measured by key items of income and expenditure. For each measure, the table shows the 5<sup>th</sup> and 25<sup>th</sup> percentile, the median (i.e. middle) value, the 75<sup>th</sup> and 95<sup>th</sup> percentiles, and the mean (average) value. A few large parishes can result in a mean that is not necessarily a helpful summary of the data; for any given measure, the median is often a more useful number to consider when thinking about a “typical” parish.

*Table 7: Parish-level finance summary, 2016*

|   | 5th percentile | 25th percentile | median<br>(middle) value | 75th percentile | 95th percentile | mean (average)<br>value |
|---|----------------|-----------------|--------------------------|-----------------|-----------------|-------------------------|
| <b>Total income</b>                       | <b>£6,000</b>  | <b>£20,000</b>  | <b>£45,000</b>           | <b>£100,000</b> | <b>£275,000</b> | <b>£84,000</b>          |
| <b>Total expenditure</b>                  | <b>£6,000</b>  | <b>£18,000</b>  | <b>£43,000</b>           | <b>£98,000</b>  | <b>£267,000</b> | <b>£81,000</b>          |
| <b>Planned giving</b>                     | £1,000         | £5,000          | <b>£12,000</b>           | £30,000         | £93,000         | £27,000                 |
| <b>Number of planned givers</b>           | 3              | 13              | <b>28</b>                | 57              | 125             | 42                      |
| <b>Diocesan parish share contribution</b> | £2,000         | £7,000          | <b>£16,000</b>           | £38,000         | £82,000         | £27,000                 |
| <b>Capital expenditure</b>                | £0             | £0              | <b>£3,000</b>            | £13,000         | £67,000         | £16,000                 |

The median (middle) level of parish income was £45,000 in 2016; the median level of parish expenditure was £43,000. The median amount of planned giving was £12,000 in 2016; the median number of planned givers was 28.

The median diocesan parish share contribution was £16,000 in 2016.

25% of parishes had incomes greater than £100,000 in 2016, while 25% had incomes under £20,000.

There are a few parishes with very large incomes (5% had incomes of over £275,000 in 2016), so the mean (average) income is larger than the median; the mean parish income was £84,000 in 2016.

40% of parishes reported some legacy income in 2016. 58% of parishes reported some grant income in 2016.

The range of parish sizes – as measured by income and expenditure - shown in Table 7 is similar to the range of church attendance figures<sup>7</sup>; in both cases there is a wide range, with the presence of some particularly large churches giving a mean that is larger than the median.

<sup>7</sup> As shown in the Statistics for Mission reports, accessible via the Research and Statistics web site.

## Diocesan total parish finances

Parish finances aggregated to diocesan level can be found in an electronic appendix, available on the Research and Statistics web page <https://www.churchofengland.org/about-us/facts-stats/research-statistics.aspx> . These tables show diocesan aggregate versions of tables 1 (Income and expenditure overview, 2007-2016) and 2 (Giving and givers, 2007-2016) along with diocesan versions of the 2016 rows of tables 3 (Breakdown of income between categories, 2007-2016) and 4 (Breakdown of expenditure between categories, 2007-2016).

Note that these figures are the Return of Parish Finance data aggregated to diocesan level, so do not reflect the financial situation of dioceses as financial entities.

## Methodology

The annual Return of Parish Finance collects summary financial information from the Church of England's parishes. The information collected is available to churches and parishes, to dioceses, and to the national church, in each case to give important information about the financial position of parishes and to support informed decision-making. As well as summarising key items of income and expenditure, the fact that information has been collected consistently over a number of years allows trends to be easily identified.

Returns are sought from all Church of England parishes, as well as churches with Bishops' Mission Orders and those fresh expressions of Church that maintain their own finances. Returns are not sought from Cathedrals or from chaplaincies in the Diocese in Europe. Although detailed figures are not sought from chaplaincies in the Diocese in Europe, diocesan totals from the Diocese in Europe have been included for reference.

The majority of the 2016 Returns of Parish Finance received (78%) were submitted electronically through the Church of England's online parish returns system (<https://parishreturns.churchofengland.org/> ). This platform gives dioceses instant access to the information submitted by their churches. The online parish returns system also allows churches and dioceses to access their data from previous years, and to view summary charts and tables, which are updated automatically as soon as new data are entered. Four dioceses used a different electronic data collection system, through which 13% of returns received were submitted. 9% of returns were received as paper forms or by email, requiring separate data entry.

Figures for the Channel Islands are included in the Diocese of Canterbury, since episcopal oversight of the Channel Islands is being exercised by the Bishop of Dover. To allow meaningful assessment of trends, Channel Island figures are likewise included in the Diocese of Canterbury for previous years.

Several hundred Church of England parishes are members of Local Ecumenical Partnerships involving other denominations, some of which involve sharing ministry, buildings, and congregations. In such cases it may not be possible (or desirable) to isolate the Church of England component of the parish finances; these finance statistics may therefore include a small proportion of figures that may also appear in similar statistics of other denominations.

## Data accuracy and data checking

All received returns are checked for outliers and for consistency with previous years. For those churches using the online parish returns system, unusual figures are queried automatically at the point of data entry, offering a quick way to prevent typographical errors from entering the database. All returns are subsequently checked by the Research and Statistics unit. Wherever possible, unusual figures are queried directly with the person who completed the return, either directly by the Research and Statistics unit or by diocesan staff.

Values in the data tables are rounded appropriately. Totals, percentages, and averages have been calculated before rounding, so row and column totals may not always agree precisely with the sums of the stated amounts.

## Updates and amendments

Late returns from 2015, received after Parish Finance Statistics 2015 was published, have been included in the figures published in this report. Where the Research and Statistics unit has identified or been notified of historical inaccuracies in the data, these have been corrected. The figures contained in this report should therefore be taken to supersede all previously published figures.

The Research and Statistics unit would be delighted to hear from parishes wishing to rectify any errors or omissions from previous years: for more information, see: <https://www.churchofengland.org/more/policy-and-thinking/research-and-statistics/correcting-your-data> .

## Estimation

Returns of Parish Finance for 2016 were received from 84% of churches. Estimates were made for those churches from which returns were not received. Dioceses provided figures for the assessed diocesan parish share contribution for each church/parish, and these assessments were used to guide estimation. Estimates were calculated proportionally to the assessed diocesan parish share contribution, parameterised diocese by diocese on the basis of returns received. Anyone wishing to know further details of the data checking and estimation processes is encouraged to contact the Research and Statistics unit.

The Return of Parish Finance form and guidance notes can be found in the Appendix.

## Adjusting for inflation

Prices of goods and services change over time. When comparing monetary amounts over time, it can be helpful to adjust for inflation, to take into account the fact that, for example, £100 was worth more ten years ago than it is today. Amounts have been adjusted to reflect their value in 2016.

Several different measures of inflation are available, each with slightly different interpretations and using different datasets to quantify the change in the value of money over time. Here we use the CPIH, a measure of consumer price inflation including a measure of owner occupiers' housing costs; CPIH is the preferred headline rate of inflation

as used by the Office for National Statistics (ONS). Annual CPIH rates have been taken from <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/I522/mm23> (accessed 7th June 2018).

### **Restricted and unrestricted income and expenditure**

The Return of Parish Finance splits income and expenditure into “Restricted” and “Unrestricted” amounts. Restricted income is that received for a particular specified purpose. 79% of income and 80% of expenditure are unrestricted. Since the majority of both income and expenditure are unrestricted, aggregate figures (unrestricted plus restricted) have been shown in this report.

Almost all categories of income and expenditure are predominantly unrestricted. A few categories of income have a substantial proportion restricted: income from “other giving including special appeals” (47% of which is restricted) and income from grants (79% of which is restricted). As might be expected, this is reflected in capital expenditure, much of which is restricted: 64% of church repair costs, 42% of other repair costs, and 75% of the costs of new building works are restricted.

## **Glossary**

**PCC:** Parochial Church Council

**Real terms:** Amounts having adjusted for inflation

**Tax efficient planned giving:** Money that is given regularly under Gift Aid through a standing order, by envelope scheme, or by cheque.

**Diocesan parish share contribution:** money given by parishes to their diocesan common fund. Among other things, this money contributes to the direct costs of ministry (clergy stipends and housing), curacy training and stipends, and the central activities of dioceses and the National Church.

**Gift Aid:** Gift Aid increases the value of a donation by allowing basic rate tax to be reclaimed by charities on donations received from those donors who pay sufficient UK tax.

# Appendix: Return of Parish Finance form 2016 and guidance notes



## Return of Parish Finance January to December 2016

|                         |  |   |          |  |
|-------------------------|--|---|----------|--|
| Parish code (6 digits): |  | If the form is NOT completed on behalf of the entire parish, please list below the churches included: | Deanery: |  |
| Parish name:            |  |   | Diocese: |  |

| INCOMING RESOURCES   |  | UNRESTRICTED (nearest £) | RESTRICTED (nearest £) | RESOURCES EXPENDED   |  | UNRESTRICTED (nearest £) | RESTRICTED (nearest £) |
|--|--|--------------------------|------------------------|--|--|--------------------------|------------------------|
| <b>Voluntary income/ receipts</b>  |  |                          |                        | <b>Costs of generating income</b>  |  |                          |                        |
| 1  | Tax efficient planned giving   |                          |                        | 17   | Fund-raising activities (costs and payments)                                       |                          |                        |
| 2  | Other planned giving   |                          |                        | <b>Church activities</b>   |  |                          |                        |
| 3  | Collections at services  |                          |                        | 18   | Mission giving and donations   |                          |                        |
| 4  | All other giving and voluntary receipts, including Special Appeals (recurring and one-off) |                          |                        | 19   | Diocesan parish share contribution   |                          |                        |
| 6  | Gift Aid recovered   |                          |                        | 20   | Salaries, wages and honoraria  |                          |                        |
| 7  | Legacies received (capital value)  |                          |                        | 21   | Clergy and staff expenses  |                          |                        |
| 8  | Grants (include recurring and one-off)   |                          |                        | <b>Church expenses</b>   |  |                          |                        |
|  | <b>TOTAL Voluntary income:</b>   | £                        | £                      | 22   | Church expenses: Mission and evangelism costs                                      |                          |                        |
| <b>Activities for generating funds</b>   |  |                          |                        | 23   | Church running expenses  |                          |                        |
| 9  | Gross income from fundraising activities   |                          |                        | 24   | Church utility bills   |                          |                        |
| <b>Income from investments</b>   |  |                          |                        | 25   | Cost of trading  |                          |                        |
| 10   | Dividends, interest, income from property etc.   |                          |                        | <b>Major capital expenditure</b>   |  |                          |                        |
| <b>Church activities</b>   |  |                          |                        | 27   | Major repairs to the church building   |                          |                        |
| 11   | Statutory fees retained by the PCC (weddings, funerals etc)                                |                          |                        |  | Major repairs to church hall or other PCC property, including redecoration         |                          |                        |
| 12   | Gross income from trading (e.g. hall lettings, magazine, bookstall). NOT fundraising.      |                          |                        | 28   | New building work to the church, church hall, clergy housing or other PCC property |                          |                        |
| <b>Other incoming resources</b>  |  |                          |                        | 29   | <b>SUB-TOTAL of all expenditure items above:</b>                                   | £                        | £                      |
| 13   | Any other income/ receipts not already listed  |                          |                        | 26   | Governance costs   |                          |                        |
| <b>TOTAL INCOMING RESOURCES (FROM FINANCIAL STATEMENTS)</b>  |  |                          |                        | 99   | Other outgoing resources/ payments   |                          |                        |
| A  | Unrestricted   | £                        |                        | <b>TOTAL RESOURCES EXPENDED (FROM FINANCIAL STATEMENTS)</b>                    |  |                          |                        |
| B  | Restricted   | £                        |                        | D  | Unrestricted   | £                        |                        |
| C  | <b>TOTAL</b>   | £                        |                        | E  | Restricted   | £                        |                        |
|  |  |                          |                        | F  | <b>TOTAL</b>   | £                        |                        |
| <b>PLANNED GIVERS AND LEGACIES</b>   |  |                          |                        | <b>Cash and Investment Balances</b>  |  | <b>UNRESTRICTED</b>      | <b>RESTRICTED</b>      |
| 14   | Number of tax efficient planned givers   |                          |                        | 31   | Cash and deposit balance as at 31/12/16  |                          |                        |
| 15   | Number of other planned givers   |                          |                        | 32   | Investments as at 31/12/16   |                          |                        |
| 16   | Number of new legacies received  |                          |                        | <b>Account basis: on which basis are your accounts prepared (indicate ONE)</b> |  |                          |                        |
|  |  |                          |                        | 30   | Receipts and payments [ ]  | Accruals [ ]             |                        |
| Please refer to the notes on the following pages to help clarify what is included in each section. The item numbers refer to RPF notes, consistent with the guidance provided in PCC Accountability, 2013. |  |                          |                        |  | Date   |                          |                        |
|  |  |                          |                        |  | Name   |                          |                        |
|  |  |                          |                        |  | Position   |                          |                        |
|  |  |                          |                        |  | Telephone or email   |                          |                        |

Looking back across 2016, were there any exceptional circumstances or significant changes that may have led to unusual figures? Please provide details in the box below.

- 1 Money that is given regularly under Gift Aid through a standing order, by envelope scheme, or by cheque. Figures should be net, i.e. receipts planned giving excluding any tax recovered. Also include money given through charity vouchers (gross amount) e.g. CAF or Sovereign Giving and money given through Payroll Giving (gross amount)
- 2 Money given regularly without Gift Aid through standing order, by envelope scheme, or by cheque.
- 3 Collections at Sunday, midweek, wedding, baptism and funeral services, and Sunday schools. Include one-off gifts given in collections at services through Gift Aid envelopes (net amount), but exclude money given through planned giving envelopes. Do NOT include collections that go directly to a charity and do not 'go through the PCC books' e.g. Christian Aid Week. Other collections for a specific charity are restricted income Proceeds of annual
- 4 Report here: Other Recurring Giving /Donations: Gift Days, money given in church boxes and wall safes, and other ad-hoc donations from individuals which are likely to recur in future years. Non-recurring Giving/Donations: Include one-off donations given outside services. Include the proceeds of all special appeals (which are usually restricted), but also one-off Gift Days for general funds. Include gifts of shares at market value. [Combines previous RPF 4 and 5]
- 6 The amount of tax recovered from HMRC on all money given to the PCC under Gift Aid. This should be split between Gift Aid recovered on restricted and unrestricted donations and allocated to the appropriate fund. This should include claims through the Gift Aid Small Donation Scheme, on small (less than £20) cash donations <http://www.hmrc.gov.uk/charities/gasds/records.htm> . If no tax has been recovered through Gift Aid, an explanatory note should be provided in the financial statement.
- 7 The capital amount of a legacy, together with interest from the probate process process, should be recorded in the year(s) that it appears in the accounts. (Note that the legacy may have been included as an asset in last year's Statement of Assets and Liabilities.) Any interest from legacy investments should be recorded as income from investments
- 8 External grants received from trusts and other funding bodies for the PCC's general fund or for a restricted purpose. Include VAT recovered through the Listed Places of Worship scheme. This does not include transfers within a benefice. Include one-off and recurring grants. [Combines previous RPF 8 and 8A]
- 9 Fundraising: Money raised from sponsored activities, jumble sales, fetes, and other activities where the primary purpose is fund-raising. Income should be stated gross, and any costs must be recorded separately as payments.
- 10 Dividends, interest and income from property: Bank and other deposit interest including any reclaimed tax on investment income. Include dividends from shareholdings. Include rent received from land or buildings owned by PCC.
- 11 Statutory Fees retained by PCC: PCC Fees for weddings, funerals etc. Do not include fees due to the clergy and organist etc. as these are not PCC funds.
- 12 Income received by the PCC from trading activities including bookstall, letting of the church hall, sales and advertising of church magazines. Income received from other church activities which are not fundraising activities eg membership fees for groups, payments for events etc. All trading receipts must be stated as gross figures. The costs must be recorded separately as payments.
- 13 All other receipts: These are often 'capital' in nature: sale of buildings, investments, insurance claims, transfers from term deposits, loans received, repayment of loans made by the church to others; but will also include contributions from other churches in the benefice to shared costs.
- A The TOTAL UNRESTRICTED incoming resources as shown on your examined/audited financial statements, excluding any revaluation of assets.
- B The TOTAL RESTRICTED incoming resources as shown on your examined/audited financial statements, excluding any revaluation of assets.
- C The SUM TOTAL incoming resources as shown on your examined/audited financial statements, excluding any revaluation of assets.

- 14 Each tax efficient giver should only be counted ONCE. If more than one person is associated with a Gift Aid donation, only ONE person should be counted.
- 15 Each planned giver should only be counted ONCE. If more than one person is associated with a planned giving, only ONE person should be counted.
- 16 A legacy should only be counted in the first year that money from it is received. Each legacy should only be counted once, even if payments from the estate are spread over several years.
- 17 Costs of generating income: Include the costs of fundraising events, which have contributed to the income recorded in Fund-raising income box above. Also include fees paid to a professional fundraiser, the costs of a Christian Stewardship campaign and the costs of supporting regular giving e.g. envelopes.
- 18 Mission Giving and Donations: Include donations to external missions and charities that come from the PCC's receipts. Collections that go directly to external charities should not be included.
- 19 Diocesan parish share contribution: All payments made during the year, whether for current or previous years Share.
- 20 Salaries, wages and honoraria: All payments to assistant staff, youth worker, verger, administrator, sexton, organist and choir. Include NI/Pension costs where applicable.
- Clergy and staff expenses: Working expenses of the incumbent: e.g. telephone, postage, stationery, travel costs (car and/or public transport), secretarial assistance, office equipment, maintenance of robes, hospitality. Assistant staff: Include costs, as for the incumbent, that are associated with expenses incurred by assistant clergy, pastoral staff and youth workers. Housing: all costs relating to clergy/staff housing paid by the PCC. (including where applicable repair costs, water rates, council tax, and redecoration).
- 21
- 22 Mission and Evangelism: cost of outreach, courses, excluding staff salaries
- 23 Church expenses: Routine repairs and maintenance. Insurance. Miscellaneous: cleaning materials etc church /office phone. Churchyards all costs involved in their maintenance. Upkeep of services: organ tuning, worship materials, choir robes etc.
- 24 Church utility bills: total costs of electricity, gas, oil, water etc.
- 25 Costs of trading - include the costs associated with the receipts for bookstall, hall lettings, magazine income etc.
- 26 Costs relating to the governance of the PCC, including any fees for audit or Independent Examination, training of PCC members in their role of Trustees, the production of the annual report, hire charges for any PCC meetings etc.
- 27 Major church repairs: include repairs that are not routine and internal and external decoration.
- 28 Major repairs to other PCC property: incl repairs that are not routine and internal and external decoration.
- 29 New building work: new buildings, major alterations and extensions to church or other PCC property and including all associated professional fees and expenses
- 99 All other payments not included above, but mainly of a "capital" nature: purchase of fixed assets for church purpose, purchase of investments, transfer to term deposits, loans made and repayment of loans etc.
- D The TOTAL UNRESTRICTED resources expended, as shown on your financial statements.
- E The TOTAL RESTRICTED resources expended, as shown on your financial statements.
- F The SUM TOTAL resources expended, as shown on your financial statements.
- 30 Were your accounts prepared using the "Receipts and Payments" method (approved for PCCs with income under £250,000), or under the "Accruals" method? Please enter an X in the correct box.
- 31 The cash balance at 31/12/16 (all current and deposit accounts). This should be split by restricted and unrestricted.
- 32 The market value of your investments at 31/12/16. This should be split by restricted and unrestricted.