

Parish Contribution FAQs

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1. The Background to Parish Contribution

1.1 What is Parish Contribution and how does it work?

Parish Contribution is the system used in the diocese through which every church makes an annual financial contribution to the common purse. This provides significant resource that enables the provision of ministry in every parish across the whole diocese.

The resource for ministry has many different forms including funding clergy stipends, pensions and housing, as well as training and support for new priests and lay ministers.

It also contributes towards the centrally based support team who offer essential training and practical advice to clergy and parishes regarding safeguarding, care of church buildings, HR, registrar (legal) services, children, young people and families work, and more.

The system used is an offer system. This means that each church (PCC or DCC) has the responsibility for discerning their Parish Contribution commitment each year. These decisions should be generous, realistic, and prayerful.

1.2 How many of our churches are self-sustaining?

In 2024, only 15 out of 106 benefices covered the baseline costs of their stipendiary clergy through their Parish Contributions.

The figure this year for the cost of a full-time stipendiary minister is £69,000 (including stipend, housing, NI and pension).

That is why we are encouraging churches that do not currently meet the costs of the ministry they receive to do what they can to achieve this.

For those churches that are able to meet these costs, we ask that they extend their generosity and continue to contribute to the common pot.

St Paul describes the Church as a body, with each of the parts in an equal and interdependent relationship with one another. He also writes to particular gatherings of Christians, asking them to send money to other churches who are in need. The idea, then, of 'carrying one another's burdens' is deeply biblical.

Parish contributions are an expression of what it means to belong to the larger Christian body of the diocese, working and praying together for the coming of God's kingdom and supporting this work across the whole diocese, as well as in our own parish or benefice.

1.3 Why do we have to pay parish contribution if we are in vacancy?

All benefices in vacancy receive support through the Archdeacons and Area Deans. In many cases there are other ministers who contribute to the ongoing leadership in ministry and mission while an

incumbent post is vacant. This includes self-supporting clergy and licensed lay ministers working alongside church officers. So, even when there is no full-time stipendiary incumbent in post, there is still ministry provision in every parish, which has an associated financial cost.

At the same time, Parish Contribution payments are to the “common purse”, which is an outworking of our belonging together to the diocesan family, rather than a transactional exchange.

1.4 How can we encourage Generous Giving in our churches?

A survey of 2,000 Anglicans in 2020 found that:

- A third do not give to their Church
- 40% have never been asked to give regularly
- Anglicans are three times as likely to leave a legacy to charity than they are to church
- Nearly half have never been asked to review their giving
- Only half have heard a sermon on giving in the past 12 months
- Less than a third say they are regularly thanked for their giving
- 49% feel they would be motivated to give more if they understood the impact of their giving

These findings suggest plenty of ways to encourage members of your worshipping community to think about their giving to the church. Bringing up the topic in sermons, church notices and conversations, so that generous giving is an integral part of people’s faith and discipleship, a response to the abundant grace and generosity of God in our lives, and a sign of our commitment to the church’s mission to realise the kingdom of God.

In practical terms, it can be helpful to explain where people’s money goes; to lay out the benefits of giving by direct debit, reviewing their giving on an annual basis, and remembering the church in their will. And, of course, thanking those who do give to the church is essential in extending our gratitude.

Please contact Laura Taylor if you would like support in growing generous giving.

2. The Diocesan Financial Position

2.1 What is the financial position of the diocese?

In 2026, we are budgeting for a deficit of £1.15 million between the income we receive from all sources and our expenditure on mission and ministry and the costs of supporting that mission and ministry centrally.

Parish Contribution booklet shows a breakdown of the sources of our income and expenditure, and highlights that the biggest reason for the funding gap is the money we receive from parish contributions (budgeted for £4.1 million in 2026) falls significantly below the amount we spend on the

direct costs of stipendiary ministry (not including training and support) which is budgeted to be £6 million in 2026.

2.2 How has Parish Contribution in the diocese changed over the years?

The amount received from Parish Contributions has fallen from 2019 when it stood at almost £4.7 million to £4 million in 2025. The impact of this reduction has been exacerbated by the high rate of inflation over recent years.

Falling church attendance is a significant reason for an overall decline in income - attendance, as a proportion of the population, has been declining in England since the mid-19th Century.

Other more recent factors include the impact of the Covid pandemic and rising costs. However, there is not necessarily a linear relationship between church attendance and either giving or Parish Contributions: taken as a whole, the income and reserves in parishes actually grew significantly in the decade to 2020 despite declining attendance, and the amount received from Parish Contributions increased between 2017 and 2019 even though there was a fall in the number of worshippers in the diocese from 17,300 in 2017 to 16,600 in 2019.

2.3 What is Glebe income and how do we make use of it?

Glebe land and other assets constitute the majority of the diocese's assets. These are endowment assets, which must be maintained at a capital value no lower than their original transfer value to the diocese in the 1970s, adjusted for inflation. Under careful stewardship, the endowment reserve has grown beyond inflation since the 1970s. The excess over this minimum capital value is termed the Unapplied Total Return.

The Unapplied Total Return, along with the income from the Glebe assets, can only be used to fund clergy stipends. This ensures that these historic assets continue to contribute directly to mission provision only. However, the diocesan stipend costs are significantly higher than the annual income from the Glebe.

3. Addressing the Deficit

3.1 What has the diocese been doing to address the deficit?

In 2021, we reduced the number of central support staff by 22%, generating an annual saving of £300,000 (though sadly, this has been negated by inflation since), and held a recruitment freeze on any posts funded by the Diocesan Board of Finance. We have also sought external funding for many of our centrally-based staff, so now roughly a third are paid for with grants from the national church.

For 2026, we have done a full bottom-up zero-based budget, which means every possible area of saving and income generation which can be made centrally has been thoroughly reviewed. Our

budgeted deficit for 2026 is £1.15 million as a result, but this is still far from sustainable and parish contributions need to increase to bring this deficit down further.

We are developing our strategy so that we can apply for a new funding scheme open to dioceses to request investment from the national church for mission and ministry projects aligned with the national church's vision and strategy. However, that funding is only available for diocese-wide strategic missional plans, which are aligned with the Church of England's own 'Strategy and Vision for the 2020s' and are financially sustainable. As such, that funding cannot be used to offset our structural deficit or pay for stipendiary parish ministry in its current form.

Every year, for the last few years, we have had to sell land or houses to cover the shortfall between what we receive from parishes and what we spend on ministry. But if we continue having to do so at the current rate, our unrestricted reserves are likely to run out within four years, and as the attached infographic shows, the money we received from investments and trading cannot by itself cover the shortfall.

To help our income and expenditure more closely align with one another, Minster Communities – churches and schools working together with a shared ministry team of lay/ordained and stipendiary/self-supporting minsters – are being formed across the diocese.

With the exception of churches in areas of high deprivation, who will continue to receive financial support from the national church, all Minster Communities will only have as many stipendiary posts as they can afford. But as the process of forming Minster Communities will take another 18 months, we still need to see an increase in Parish Contributions to cover the costs of ministry currently being received.

3.2 Can we further cut central costs?

We continue to review every possible area of saving and income-generation which can be made centrally, and have made savings on total expenditure in 2025 compared to 2024. However, at the same time, there are also limits to how much the central team can feasibly be downsized. For parishes to operate effectively, in accordance with the law and good practice, safeguarding, Registry, HR and finance functions are best performed centrally. Devolving these functions to parishes would cost more and add additional burdens to already overstretched parish clergy and volunteers. Furthermore, ministry costs (mainly clergy stipends, housing and pensions) form well over half of our total expenditure. So even if we spent nothing on central then we still would have a deficit.

3.3 How many full-time ordained staff are there in St Martins House, and what do they do on a Sunday?

A small number of ordained staff work in the diocesan central team, namely the two Archdeacons and three ministry support staff – the Director of Parish Transition and Ministry Development, Diocesan Director of Ordinands and the Vocations and Discipleship Enabler.

These five regularly minister in our worshipping communities across the diocese every Sunday, depending on invitations, requests, and availability.

We are also blessed to have self-supporting clergy, lay ministers, and active church members among our staff, who faithfully serve God and their communities.

3.4 Can we spend less on the Cathedral?

The Cathedral, like the St Philip's Centre and Launde Abbey, is a separate charity with its own sources of income. Its finances are independent of those of the diocese. The clergy at the Cathedral are funded by the Church Commissioners, not the diocese, and the money for the current refurbishment was raised by the Cathedral from supportive donors and external sources.

Of the total cost of approximately £14 million, the diocese did make a one-off grant of £500,000 in 2023, which unlocked a contribution of over £1.5 million from our local councils, in recognition of its role as the seat of the Bishop and the 'mother church' of the diocese.

4. National Church Support

4.1 Can the Church Commissioners help resolve our deficit?

The Church Commissioners are the investment arm of the Church of England – they manage a £10.3 billion investment fund, and the money made from those investments contributes to the cost of strategic mission projects, bishops, cathedrals, and pensions.

We have benefited from grants from the Church Commissioners/Archbishops Council including general ones which helped with the impact of the Covid pandemic era. It has also funded our Intercultural Worshipping Communities and Resourcing Churches programmes – which are both intentionally designed to benefit parishes across the diocese; and it provides funding to provide ministry in the most deprived communities across the diocese. However, Church Commissioners are a separate charity and cannot be compelled by the bishops or anyone else to part with their endowments.

The Church Commissioners together with the Archbishops Council have noted the rising structural deficits of the majority of dioceses in the CofE and have a plan to work with dioceses to assist them into financial sustainability. This is likely to involve some financial help or the taking over of some costs borne currently by the diocese, but it has yet to go through General Synod and will be, in any case, time limited with tapering of funding reduced over a number of years and will only be a contribution to reducing deficits. Therefore, dioceses will still need to make their own suitable plans for financial sustainability.

4.2 What is LInC Funding and what is it used for?

This stands for Lowest Income Communities Funding and is given by the national church as a grant to be used for primarily providing ministry in the most deprived parishes that qualify for such funding due to their ranking on a national list. There is discretion within the diocese to allocate resources within these criteria, where it is most needed.

The diocese receives circa £1.5million per annum of such funding and distributes it fully to fund ministry in qualifying areas.

[Read more about LInC Funding on our website.](#)

5. Minster Communities

5. A brief word on Minster Communities

We have been bold in addressing our challenges through a whole-diocese change process rather than approaching it in a piecemeal way, in order to address the missional future of the Church of England in Leicester and Leicestershire.

As a diocese of 324 churches in 234 parishes and almost 100 schools and academy trusts, Minster Communities is not the only thing we are working towards; we are involved in work across all our [strategic priorities](#), including intercultural and intergenerational communities.

The whole Minster Community framework is about helping our local worshipping communities grow the Kingdom of God and live out their everyday faith.

How we organise ourselves for this mission is important and we have committed to doing this through a process which is consultative and participative. We recognise that this isn't easy or straightforward, but it is important. Our current projection is to have established Minster Communities across the diocese by the end of 2026.

[Find out more about Minster Communities.](#)