

Practicalities of the Covenant System

1. Meeting as a Mission Community, March 2022

Mission Community leaders are being asked to convene a meeting in March 2022. The Mission Community can decide who from the Mission Community should attend these meetings, but each Anglican church in the Mission Community really needs to be represented. The relevant Archdeacon and a representative from the Diocese (Diocesan Secretary, Head of Finance or Stewardship Enabler/Officer) will also attend. The intention behind this meeting is to discuss the financial context of your Mission Community and constituent churches, to look at your Mission Community's current combined Parish Offer and the costs of ministry, and to think about your Mission Community future aspirations - in terms of ministry and mission aspirations and Parish Offer aspirations (e.g. to pay 90%, 100% or 110% of your costs of ministry).

In most cases we expect these meetings will include the Anglican churches within the Mission Community, but by all means make them ecumenical if you feel the conversations would be fruitful for a wider audience, for example, because you are already sharing finances or jointly funding mission and ministry.

2. Information from Mission Community meetings are fed back to PCCs and the 2023 Parish Offer is discussed at parish level, April/May 2022.

This is an important step in terms of ensuring aspirations made at a Mission Community level can be realised through the parish churches and gives PCCs the opportunity to participate in the Mission Community's plans and ultimately set their parish offers.

3. Second meeting of the Mission Community, June/July 2022.

Mission Communities meet again to discuss and ultimately set their aggregate offers from the PCCs in light of their Mission Community Parish Offer aspirations and future ministry plans.

4. Each Mission Community informs the Diocese of their 2023 Parish Offer by Friday 29th July 2022.

This should be done via your Mission Community Parish Offer Coordinator. If parishes are responsible for paying their Parish Offer directly to the Diocese, we will need a breakdown of each parish's 'P' codes and individual parish offers. This will help us track receipts against offers and report back to the Mission Community.

5. A 'covenant' document is drawn up and signed by representatives of the Mission Community and Diocese, August 2022.

This document will specify the commitments made from Mission Community to the Diocese - in terms of a three-year Parish Offer; and from the Diocese to the Mission Community - in terms of supporting the Mission Community in achieving their plans for ministry including the scope for any financial support from the Diocese.

Future Years

We expect this process will be repeated once every three years. In the interim years, we recommend you meet as a Mission Community to discuss progress towards your mission and financial aspirations. Archdeacons and Diocesan representatives do not need to attend these meetings unless specifically invited.

Resources to support you (these resources have also been shared with your Mission Community Leaders)

Mission Community Facts and Figures (enclosed)

The 'Facts and Figures for your Mission Community' enclosure contains relevant information for your specific Mission Community, including the costs of ministry for 2023 (based on current expectations of resourcing) and what your combined parish offer is as a proportion of your Mission Community costs of ministry.

This year we have not only provided the cost of a full-time stipendiary priest and house for duty priest, but have also included: part time stipendiary priests, lay roles and administrator roles, in recognition of the varied deployment models Mission Communities are adopting around the county.

We need to draw your attention to the fact that the estimated inflationary increase in costs for a full-time stipendiary role for 2023 is just over 5.5%, and the increase for a House for Duty post is 6.6%. These are far greater inflationary increases than we have experienced in recent years (indeed we had reductions of 3% and 11% respectively last year). We recognise the extra challenge this will create for Mission Communities and so wish to offer some further explanation:

- We are seeking to provide this information at the earliest possible opportunity to inform your Mission Community conversations. However, detailed budget work for 2023 has not yet taken place, so these figures are provisional - they are 'to the best of our knowledge' at this time.
- We have based the figures on an inflation assumption of 4%, which is the Bank of England's average of all forecasts for December 2022, and obviously far higher than previous years' rates of inflation. No doubt we are all conscious of recent "cost of living crisis" headlines in the news.
- The figures are affected by a small reduction in the total number of posts. This has a big impact on the non-payroll costs as they are worked out by dividing total cost by number of clergy posts. A reduction in clergy posts makes the unit cost of the non-payroll costs rise disproportionately because e.g. we don't pay less in overall Ordination Training contributions or costs of curates just because we have fewer stipendiary posts.

We very much want to be open and transparent about the costs as we seek, Mission Community by Mission Community, to create models of ministry that are effective and sustainable.

We ask you to share this enclosure at your PCC meetings and consider them carefully when having your conversations.

Diocesan Overview (enclosed)

The Diocesan overview diagram explains how the Diocese funds mission and ministry across the Diocese, what your Parish Offer is spent on and what it isn't spent on.

Stewardship Enabler

Our Stewardship Enabler, Sophie Hodge, is here to support Mission Communities through this process. If you need any help or have any questions about the information contained in this letter, please email stewardship@carlisle-diocese.org.uk