

News

Towards viable and sustainable churches

Andrew Mottram takes a detailed look at what it means to be a financially viable and sustainable church.

Financial self - assessment

Introduction All parish Churches in the Church of England benefit from the support of the wider Church. There is no truly independent and totally self-supporting parish Church in the Church of England.

Every Anglican congregation is part of a larger organisation which brings the benefits of inherited assets, deployed clergy and the organisational structures of the Diocese and Province. Each parish Church is a separate charitable trust for which the PCC members act as the trustees.

In the past the PCCs were 'excepted' from registration with the Charity Commissioners. Nevertheless all PCCs are Charities subject to the Charities Acts with larger PCCs having been required to register over recent years.

It is the duty of charity trustees to ensure the proper financial management of the charity and to ensure the charity can always pay its bills – i.e. it is never insolvent. Trustees need to know whether or not the charity is financially viable and has a sustainable future.

Viable and Sustainable

The Shorter Oxford English Dictionary makes a distinction between viable and sustainable:

- **Viable** Capable of living, able to maintain a separate existence
- **Viability** The quality or state of being viable
- **Sustain** To succour, support, back up
- **Sustainable** Supportable, maintainable

Within the specific limits of a financial assessment, a viable Church is one that can pay its own way and not rely on other Churches to support it financially.

A sustainable Church is one that, with some financial support of other Church communities, can continue to operate and manage its own affairs.

Because of the importance of retaining the mission and ministry across the country and in response to the recommendations of their respective Pastoral Committees, Deanery and Diocesan Synods can choose to sustain those Church communities which might not be viable as individual units.

This can be done by subsidising ministry by the use of national and diocesan funds, including the cross subsidy between parishes by Parish Share. Such mutual support places a responsibility on individual Churches to conduct themselves a business-like manner with openness and clarity of management.

As well as making a judgment about a Church's financial viability or sustainability, some sort of assessment will need to be made about the viability of the individual Church community – i.e. the life and vibrancy of the people.

Ideally the assessment should be made within the context of the local ecumenical situation as well as the deanery. The Healthy Churches Handbook (HCH) is a useful tool to help local Churches in the assessment of their viability. Agreeing to engage in the process of the HCH is a sign of life in itself.

Each Church community needs to be a 'going concern' in terms of both ministry and buildings. It is useful to be honest about the situation. It is all too easy to put in lots of time, energy and money to sustain something just because it is there rather than because it is needed or is making a significant contribution to the mission of the Church.

We need to have a way to identify those Church communities which are not viable by themselves and will require support (pastoral, ministerial and financial) to sustain them. Much of this may be difficult to nail with measurable data, but it shouldn't be just assessed by hunches and the sense of burden and ministry input required to 'push water up hill'.

Once a way of using available data to measure viability and sustainability has been identified it should be easier to build the case for support whereby the viable sustain the non-viable.

Local Church Finances

There are two main aspects to the finances for any local Church - ministry costs and building costs.

Ministry costs

These are the operational costs which include Parish Share, administration, heating, lighting, insurances and all the general costs of providing for services and the life of the Church.

The payment of Parish Share should be a high priority and essential commitment for every Church community.

Buildings costs

Building costs can be split into three categories: Regular Maintenance to keep the building and its fittings in good working order; Capital Repairs to replace the items that wear out or fail; Improvements and New Work are the 'nice to haves' to make the building a better place.

The QI report and an Asset Management Plan will identify the relative priorities.

Viable and or Sustainable

Viable Churches

The simple rule of thumb is if a Church community can meet its ministry costs (Parish Share and operational costs) and keep the building(s) adequately maintained with the QI items attended to, it is viable.

Sustainable Churches

Identifying which Churches are and which Churches are not sustainable is not so clear cut. Decisions will require discussion and negotiation across a group or deanery, but in essence if a Church is able (with agreed support from partner Churches) to meet its ministry costs and maintain its building it could be considered sustainable.

The complexity and condition of the building will be a significant deciding factor in determining the sustainability of a Church.

How to measure viability and sustainability

This is not an exact science. The different types of community, the socio-economic factors, the condition of the building and the drive and passion of the people will all influence whether or not an individual Church is viable or sustainable.

A range of possibilities need to be considered but experience demonstrates the finances of local Churches fall into the following three categories:

1. **Parish Share paid on time and in full**; Sufficient funds available to meet operational costs; Buildings well maintained, no outstanding QI items.
2. **Parish Share paid late but in full**; Operational costs can be funded most of the time, basic preventative maintenance done; some QI repairs outstanding.
3. **Parish Share and operational costs are a struggle**; PCC faced with choice of either paying Parish Share in full or undertaking essential repairs. Little or no preventative maintenance; Q.I. repairs outstanding.

These categories which range from 1 viable and sustainable; 2 sustainable but not viable; 3 neither viable nor (possibly) sustainable can be further examined by looking at the trends over three to five years using the parish accounts.

This could prove especially useful to determine in which direction a specific Church is moving and, of those in categories 2 and 3, their potential for survival. Moreover there is the potential to determine which of category 3 could, with help support and training, become sustainable; of category 2 which could become viable and of category 1 which could support another Church in another place – i.e. being engaged in a tangible mission activity not just being content that there are funds to spare in the bank.

Andrew Mottram - Heritage Buildings and Community Development Officer
01905 732808 / 07960 726717 amottram@cofe-worcester.org.uk