

# OXFORD DIOCESAN SYNOD

## Share Discounts at Parish Level

### Background

Early in 2013 a Bishop's Council Working Group recommended consideration of discounts to parishes that either paid their Share by a single payment at the beginning of the year (a prompt payment discount) or by direct debit over twelve months (an administrative efficiency discount). The Planning & Budget Sub-Committee and Bishop's Council have considered the proposal, and recommend it to Synod for approval. (Standing orders are quite inefficient both for payer and payee, and moving to direct debits will take advantage of technology to save both time and processing cost for all involved.)

### Proposal

It is proposed that, while keeping the rebates payable to deaneries, the share scheme is amended to give a 1% discount on the share allocated to a parish\* for payment by either,

- a) A single payment by 31 January of 99% of the allocated amount or
- b) Setting up a monthly direct debit on 15<sup>th</sup> of each month (or next working day) that pays 99% of the allocated amount by equal installments by 31 December. The direct debit instruction would have no end date so that it would run from one year to the next and be amended according to instructions from the parish in the month after the deanery has informed the parish of the coming year's allocation.

The parish discount is additional to deanery rebates where they are earned and credited to parishes regardless of whether or not the deanery achieves a rebate.

### Implications of the changes

The direct debit arrangement would necessitate changing the deanery rebate to being achievable over twelve months (not ten as at present), viz. for 1% to be earned for payment of 25% of the deanery allocation by 31 March and 50% by 30 June, and a further 2% for payment of 100% by 31 December. The current arrangement is 1% rebate if both 20% is paid by end of March and 50% by end of June, and a further 2% rebate if 100% is paid by 30 November.

Payment of deanery rebates would be made in January of the next year and would be calculated on the total allocation from the diocese regardless of any parish discount.

The cash flow effect of moving the final deanery rebate payment level by one month to the end of the calendar year is not judged to be material. About 30% of parishes pay by standing order, and if all these parishes earned a 1% rebate, this would tend to counteract the adverse cash flow effect of a 12 month deanery rebate period. It is unlikely that more than 50% of parishes would earn a discount and this would reduce Share receipts by around £90K.

\* The term 'parish' in this context applies to any accounting unit that pays share to Diocesan Church House, which currently covers teams, benefices, conventional districts, parishes, DCCs, LEPs and even deaneries (two deaneries at present).

## **Implementation**

For the change to take place in 2014 it is proposed to implement the discounts if either the balance of 2014 share due as at 1 June is paid as a lump sum by that date, or a direct debit started on 15 June. Because ratification of the scheme by Diocesan Synod is sought in March, for **2014 only** parishes would be entitled to the full 1% off their year's share allocation by paying the balance outstanding by one or other of these means in June.

## **Recommendation**

**Members are requested to approve the introduction of a parish level discount for either:**

- (a) A single annual payment, normally by 31 January, of 99% of the allocated share amount, or**
- (b) Payment by 12 monthly direct debits as outlined.**