



## **Cumbria Methodist Circuit – Assessment Calculations for 2026/27 and beyond**

### ***Introduction***

For the first year of the new Cumbria Circuit, it was agreed that we would calculate the assessments paid by each church on a simple percentage increase from what churches had paid previously in their former circuits. An increase of 3.5% was agreed from 2024/25 assessments, although in some of the former circuits the church treasurers agreed that some churches would go up by more than 3.5% so that others could pay less.

Now that the merger has taken place, we are adopting a new approach to calculating assessments based on the current data we have on each church.

However, the new system has introduced some significant changes in the calculations for a number of churches – both increases and decreases. Therefore, in order to make the transitions manageable for all, we are proposing to move over a four year period from where we are now to the figures calculated for each church via the formula.

### ***The Calculation***

The target assessment for each church will be calculated based on four factors with equal weighting:

- 1) Membership (please note CPD stipulates that membership cannot be used alone)
- 2) Average Attendance
- 3) Income
- 4) Reserves

The total of all assessments for 2025/26 is £993,548. The final budget for 2026/27 hasn't yet been determined, but for the purposes of this explanation, we will assume we need to raise £1,000,000 through assessments.

£250,000 of this will be raised through each of the four factors listed above and explained in more detail on the following pages.

### 1) Membership

The Circuit is made up of 67 assessment paying churches/centres, including some LEPs and some multi-site churches with a single church council overseeing several sites and paying a joint assessment. Based on 2024 Statistics for Mission figures, those 67 churches have a total of 1990 Methodist members (an average of 29.7 members per church).

On that basis, if *Martintown* church has 20 members, the amount they pay based on their membership should be calculated as follows:

$20/1990 \times 100 = 1.005\%$                       meaning *Martintown* should pay 1.005% of the £250,000 to be raised through membership

1.005% of £250,000 = **£2,513.50** to be paid based on membership at *Martintown*.

### 2) Average Attendance

The total average attendance of the 67 churches, as reported in the 2024 statistics, is 1546 people. However some of those are people in LEPs where there is a mix of Methodists and people affiliated to other denominations. In those churches, we have calculated a presumed Methodist attendance, based on the proportion of church members who are Methodist. This brings us to an estimated Methodist attendance of 1414 across the Cumbria Circuit.

If *Martintown* has an average Methodist attendance of 15 people, the amount they pay based on their average attendance should be calculated as follows:

$15/1414 \times 100 = 1.061\%$                       meaning *Martintown* should pay 1.061% of the £250,000 to be raised through attendance

1.061% of £250,000 = **£2,652.50** to be paid based on attendance at *Martintown*.

### 3) Income

The total income of all the 67 churches, from the 2024/25 Standard Forms of Account, is £2,690,847. However, some of this income 'belongs' to other denominations within LEPs and some of the income has been restricted or could be exempt from consideration for other reasons. We are still working on determining the final figure, but at present we believe that for the purposes of assessment calculation, the 67 churches have a total income of £2,116,496.

If *Martintown* reported an income of £25,000 in 2024/25, all of which is unrestricted, and none of which has been agreed can be exempted from the calculations, the amount they pay based on their income should be calculated as follows:

$25,000/2,116,496 \times 100 = 1.181\%$  meaning *Martintown* should pay 1.181% of the £250,000 to be raised through income

1.181% of £250,000 = **£2,952.50** to be paid based on the income of *Martintown*.

#### 4) Reserves

The total reserves of all the 67 churches, from the 2024/25 Standard Forms of Account, is £3,243,882. However, some of these reserves 'belong' to other denominations within LEPs and some of the reserves are restricted or could be exempt from consideration for other reasons. We are still working on determining the final figure, but at present we believe that for the purposes of assessment calculation, the 67 churches have total reserves of £2,248,310.

If *Martintown* had reserves of £50,000 at the end of 2024/25, but £8,000 of those reserves are restricted for a particular purpose, the amount they pay based on their reserves should be calculated as follows:

$42,000/2,248,310 \times 100 = 1.868\%$  meaning *Martintown* should pay 1.868% of the £250,000 to be raised through reserves

1.868% of £250,000 = **£4,670** to be paid based on *Martintown's* reserves.

Adding together the four figures calculated for *Martintown* shows that of the total £1,000,000 that the Circuit needs to raise through assessments, *Martintown* should pay:

$£2,513.50 + £2,652.50 + £2,952.50 + £4,670 = \mathbf{£12,788.50}$

For the purposes of avoiding the pennies, this might be rounded to £12,788.

#### ***Reaching the target over four years***

To ensure that no church has too big an increase in this first year, we are proposing that whatever difference there is between what a church currently pays and what the calculations say they should pay, their assessment only changes by 25% of that difference in this first year.

Examples, based on *Martintown*:

| 2025/26 Assessment | Difference from target of 12,788 | 25% of difference (rounded to nearest £1) | Proposed 2026/27 Assessment |
|--------------------|----------------------------------|---|-----------------------------|
| 7,195              | 5,593                            | 1,398                                     | 8,593                       |
| 12,000             | 788                              | 197                                       | 12,197                      |
| 16,350             | -3,562                           | -891                                      | 15,459                      |

Even if the difference is relatively small, we will only change a church's assessment by 25% of that difference in the first year.

If the calculations show that a church should see a drop in their assessment, we will only give them 25% of that reduction in the first year.

Taking the first example in the table above, where *Martintown's* assessment is increased by £1,398 in the first year, that does not mean their increase is set at £1,398 for the following three years. We will be re-running the calculations each year based on the most recent membership, attendance and financial data.

In 2027/28, churches will be expected to increase/decrease their assessment by one third of the remaining difference between their 2026/27 assessment and the newly calculated target.

In 2028/29, churches will be expected to increase/decrease their assessment by half of the remaining difference between their 2027/28 assessment and the newly calculated target.

In 2029/30 and beyond, churches will be expected to move to the calculated target amount.

Note that if a church sees no change in its membership, attendance, income and reserves from one year to the next, that does not mean its target assessment will remain the same. For example, if memberships drop in other churches, that will affect the total membership in the circuit which will in turn affect the proportion of the total assessment budget that any church is expected to pay.

### ***Questions that might be asked***

Q. What happens if a church closes?

A. The calculations in the following year will be based on the churches that remain open. If some members from the closed church have moved to other churches, these changes will be reflected in the membership and attendance for the receiving churches.

Q. Our church has seen a massive fall in membership recently, and the numbers used for calculating the assessment are now out of date. Can we have a reduction in our assessment?

A. Many churches are seeing their membership falling. We need to keep it fair across the circuit. Your new membership numbers will have an impact on your assessment in future years.

Q. What sort of income or reserves can be excluded from counting towards our assessment calculations?

A. In some cases, this is easy to determine, such as when a bequest to the church has particular restrictions on it related to how it can be spend, or when a church has received grants or donations towards a building renovation project which has been approved by the circuit and is on the Methodist consents system. In other cases, judgements will need to be made. If you believe that some of your church's income or reserves should be excluded from the calculations, but has not been, you should contact Lynne Pearce ([treasurer@cumbriamethodists.org.uk](mailto:treasurer@cumbriamethodists.org.uk)) about this as soon as possible.

Q. Why should a church that has been paying well above what the calculations show continue to pay over the odds for the next few years?

A. If we allowed churches who should see a drop in their assessments go down to their target all in one year, that would leave a shortfall in the overall assessment budget. If we made all churches move directly to their target in the first year, this could lead churches to close because they cannot pay their assessment, which in the long run means that the budget needs to be shared out between fewer churches.

Q. The calculations give our church a big increase in our assessment and yet we're seeing less of our minister than we used to before the merger. Meanwhile, other churches are getting more time from their minister. How is that fair?

A. The ratios of clergy to members in different parts of the circuit does vary but the circuit leadership is working to address this over time. Furthermore, in some areas, ministerial oversight is shared with other denominations, but in these cases the finances are worked out in agreement with the other denominations to make it fair.