

Diocese of Southwell & Nottingham

*Southwell & Nottingham Diocesan Synod
and Board of Finance*

**BUDGET 2018 &
FORECASTS 2019 & 2020**

The Diocese of Southwell & Nottingham

Budget 2018

Forecasts 2019 & 2020

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INTRODUCTION

"In your hearts revere Christ as Lord. Always be prepared to give an answer to everyone who asks you to give the reason for the hope that you have." 1 Peter 3:15

We have been entrusted with a transforming message of hope in Christ Jesus our Lord, and as a diocese during 2016-17 it has been a privilege to serve together in bringing this hope to many more people across our 302 parishes and through our wider ministries in schools, universities, hospitals and prisons. This fruit of this ministry is seen above all in those who have recently come to a new faith in Christ and been welcomed into the fellowship of the church through baptism and confirmation. These are people of all ages, backgrounds and ethnic groups reflecting the diversity of our diocese. I am convinced there is nothing better anyone can do with their life than become a follower of Jesus Christ.

The focused aspirations of the diocese in 'Growing Disciples' continues to provide a clear strategic framework shaping the mission of the diocese as we plan for 2018 and beyond. The simple vision brochure published at Advent 2016 has been distributed widely across the diocese. It sets out the core priorities that we believe will substantially contribute to the growth of the diocese in the future.

Compelled by the love of Christ, by 2023 we will prayerfully seek to...

Welcome 7000 new disciples into the fellowship of Christ and his Church

- Establishing new Discipleship and Ministry Team, leading to the appointment of Canon Richard Kellett as the new Director, and Revd David Emerton as Principal of a School of Discipleship from January 2018
- Bespoke training courses supporting evangelistic initiatives in parishes and the increase in spiritual nurture programmes
- Developing focus on supporting parishes in transition helping prepare them for future growth leading to the appointment of Canon Phil Williams as Associate Archdeacon for Transition Ministry
- Meetings have taken place in deaneries to begin a process mapping opportunities for future church planting and grafting

Commission 1000 younger leaders (15-30) equipped to serve God in the Church and society

- The Younger Leadership College has made an outstanding start with over 180 young people participating in the pilot programmes and courses, including network gatherings, formation groups in secondary schools and parish groupings, and sector mentoring for university age and above. These will continue along with the intern programme which is now training a second cohort of 9 interns.

Plant or graft 75 new Worshipping Communities

- Trinity Church Nottingham was established in September 2016 with a small core of 15 people led by the Revd Jonny and Amy Hughes meeting for prayer. The congregation has grown to c. 150 and Strategic Development Funding will continue to support Trinity Church alongside their own congregational giving and fundraising for the development of the building.
- In March 2017 St Helen's Stapleford planted a new congregation meeting in a former hairdressers shop on the Melrose Estate, led by the curate the Revd Lydia Cartwright with support from the Growing Disciples Fund
- A number of parishes have initiated new Sunday services and midweek Messy Churches that are specifically intended to reach new people in their community with support from the Growing Disciples Fund which will continue.

Grow 25 larger Resource Churches inspired and equipped to 'give themselves away'

- There has been a series of vision events in parishes that have requested support in exploring their development as resource churches
- Formation of an informal grouping of 18 incumbents who are serving in parishes that have been identified as potential larger resource churches
- Further increase in number of deacons ordained to serve in potential resource churches, committed to exploring future planting and grafting opportunities

Serve as 1 Church contending for the gospel in every community and sphere of public life

- As a diocese we will seek to extend further our engagement in the Thy Kingdom Come movement of prayer, with a variety of prayer events and initiatives across the diocese
- Bishop Paul will be leading a series of 'Refresh' evenings in locations across the diocese during Lent focused on providing spiritual encouragement and refreshment, especially for those exercising various forms of leadership in the ministry and mission of the whole church
- During 2016-17 the Diocese submitted a further application for Church Commissioners' Strategic Development Funding for work in alignment with the diocesan vision. This application was reported to have been successful in June 2017, in addition to the funding that has been received in the first year of the previous successful application. This funding is included in the following budget.

I am most thankful for the work of the Bishop's Council in supporting this vision. Working within the objective to have to have a balanced budget over three years, the Finance Committee have considered all aspects of the 2018 budget, especially the 2017 forecast. Around 90% of our costs are in respect of people all serving in roles that directly facilitate gospel ministry in parishes, chaplaincies and sector ministries.

A wide-ranging Parish Share review has been undertaken in 2016-17, to which many had an opportunity to contribute ideas and views. To ensure that any changes are phased in such that they are not detrimental to resourcing ongoing mission, the Bishop's Council agreed to delay any changes until 2019. Also permitting further attention to be given to increasing engagement through improved communication.

I am grateful for the immense effort and generosity that is expressed through the commitment to Parish Share in parishes and deaneries across the diocese. The substantial proportion of this funding supports ministry in parishes, prioritising evangelism and discipleship. For the first time ever some deaneries will be asked for less Share in 2018 than in 2017. Keeping in mind our vision for growth, I would encourage us to give every attention in seeking to close the present gap between the amount requested and given in each deanery. This will enable us to maintain the present projected stipendiary numbers beyond 2020, while we also pray for further increase in lay and ordained vocations.

I am pleased to commend this budget to you. As we prepare for 2018 every parish is once again being invited to review their local plan within the diocesan mission, so that together we can continue '*Growing Disciples wider, younger and deeper.*' Thank you for the part which you are playing in sharing the reason for the hope we have in Christ Jesus our Lord.

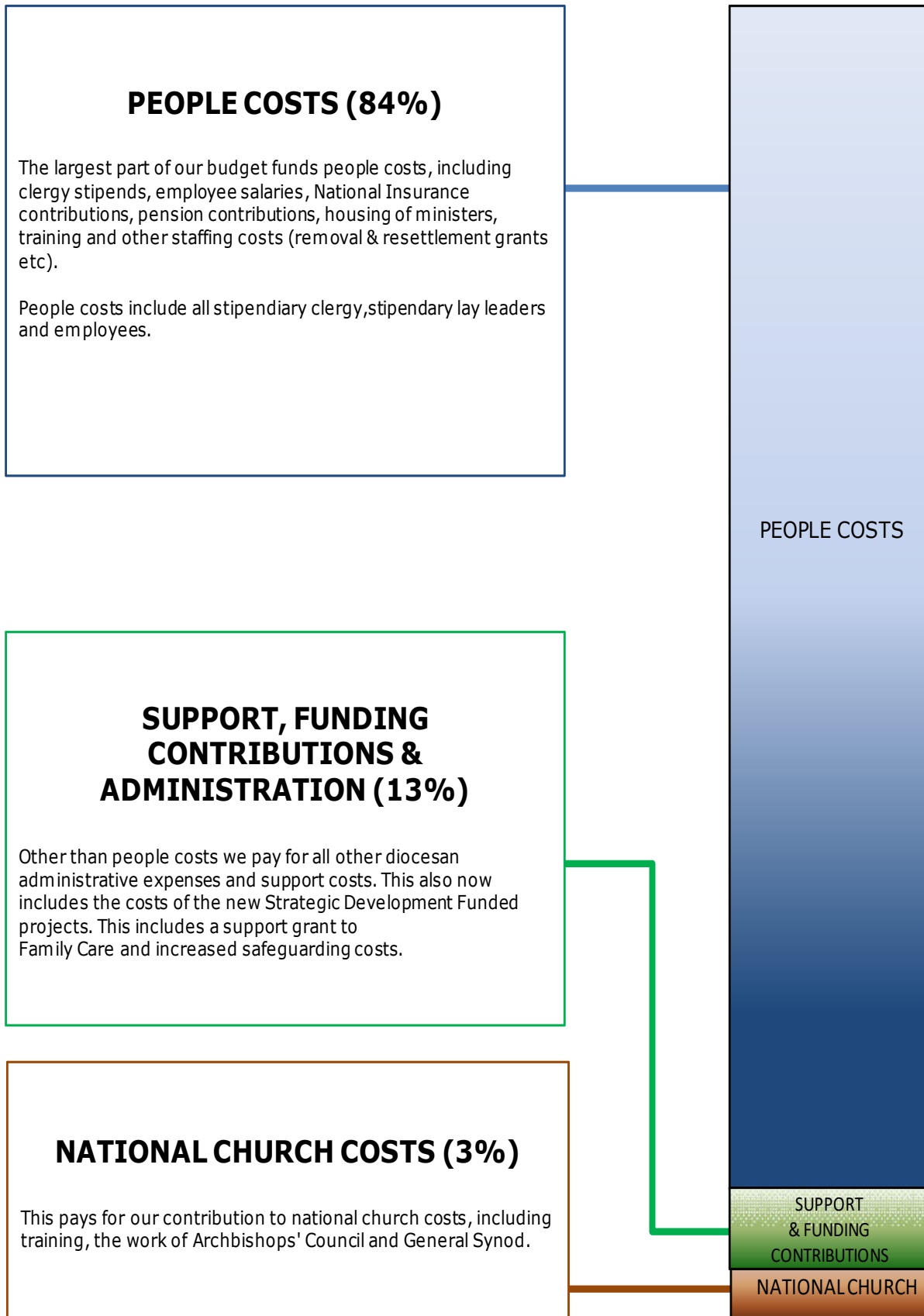
With gratitude for our partnership in the gospel

Bishop Paul

27 September 2017

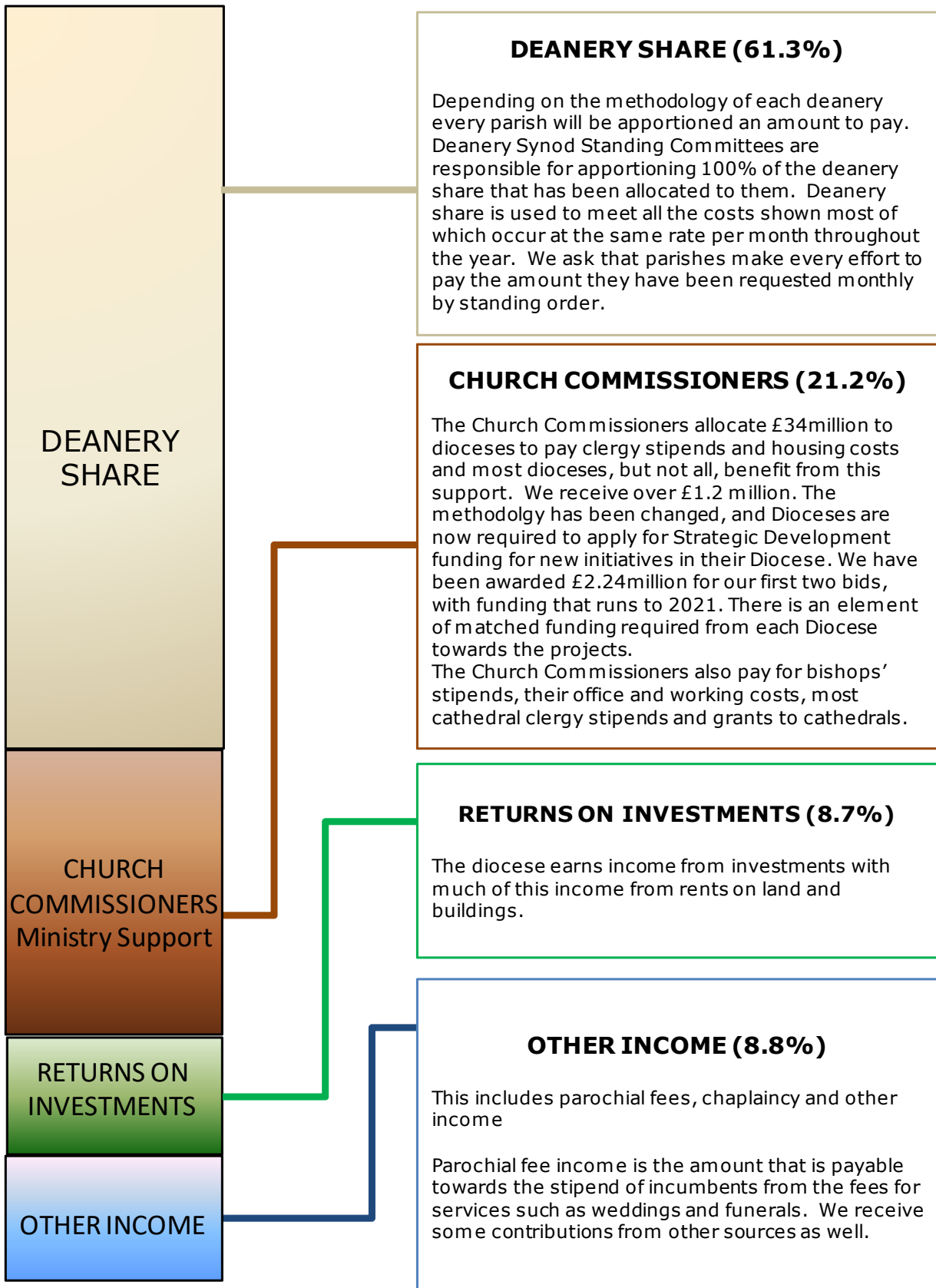
BUDGET 2018

WHERE THE MONEY GOES:-



BUDGET 2018

WHERE THE MONEY COMES FROM:-



SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE**BUDGET SUMMARY 2018**

	2016	2017	2018	2019	2020
<u>GENERAL FUND</u>	Actual £000	Budget £000	Budget £000	Forecast £000	Forecast £000
<u>INCOMING RESOURCES</u>					
DEANERY SHARE	5853.4	5,957.0	5,983.2	6,162.8	6,325.0
CONTRIBUTIONS FROM CHURCH COMMISSIONERS	1503.7	1647.6	2079.2	1690.5	1583.3
RETURNS ON INVESTMENTS	720.5	889.7	852.8	861.2	870.0
OTHER INCOME	749.4	841.1	863.4	876.7	890.1
<u>TOTAL INCOMING RESOURCES</u>	8827.0	9335.4	9778.6	9591.2	9668.4
<u>RESOURCES EXPENDED</u>					
PEOPLE COSTS	7594.3	7883.0	8252.3	8453.4	8635.1
OTHER SUPPORT COSTS	615.9	867.9	1353.7	894.8	910.1
	8210.2	8750.9	9606.0	9348.2	9545.2
NATIONAL CHURCH COSTS	451.9	581.2	609.7	593.5	620.4
<u>TOTAL RESOURCES EXPENDED</u>	8662.1	+9332.1	+10215.7	+9941.7	+10165.6
<u>DEFICIT (-) / SURPLUS (+) FOR THE YEAR</u>					
<u>TO (+) / FROM (-) GENERAL FUND RESERVES</u>	+164.9	+3.3	-437.1	-350.5	-497.2

SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

BUDGET SUMMARY 2018

GENERAL FUND

INCOMING RESOURCES

DEANERY SHARE

	2016 Actual £000	2016 Budget £000	2017 Budget £000	2018 Budget £000	2019 Forecast £000	2020 Forecast £000
Gross deanery share payable/paid	6616.4	6616.4	6616.4	6715.6	6816.3	6918.5
Share capping	-15.3	-15.3	46.9	-23.2	-	-
Net deanery share payable/paid before discounts	6601.1	6601.1	6663.3	6692.4	6816.3	6918.5
Parish share discounts	-40.0	-40.0	-40.0	-40.0	-40.0	-40.0
Deanery share payable/paid net of discounts etc	6561.1	6561.1	6623.3	6652.4	6776.3	6878.5
Shortfall	-707.7	-462.1	-666.3	-669.2	-613.5	-553.5
Deanery share payable/paid net of shortfall	5853.4	6099.0	5957.0	5983.2	6162.8	6325.0

CONTRIBUTIONS FROM CHURCH COMMISSIONERS

Ministry Support	1313.6	1314.2	1299.0	1288.0	1281.0	1280.0
Strategic development funding	115.8	-	248.6	691.2	321.5	303.3
Restructuring funding	-	-	100.0	100.0	88.0	-
Mission Development Funding	148.3	148.0	-	-	-	-
Amount transferred to Mission Development Funds	-74.0	-75.0	-	-	-	-
	1503.7	1387.2	1647.6	2079.2	1690.5	1583.3

RETURNS ON INVESTMENTS

Land and Buildings	293.3	405.3	413.4	394.2	400.2	406.2
Other Investments	427.2	432.1	476.3	458.6	461.0	463.8
	720.5	837.4	889.7	852.8	861.2	870.0

OTHER INCOME

Parochial Fees	417.8	480.0	494.0	517.0	525.0	533.0
All Churches Trust Distribution	131.6	126.0	130.0	130.0	132.0	134.0
Education restricted funds	200.0	208.6	217.1	216.4	219.7	223.1
	749.4	814.6	841.1	863.4	876.7	890.1

TOTAL INCOMING RESOURCES

	8827.0	9138.2	9335.4	9778.6	9591.2	9668.4
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RESOURCES EXPENDED

PEOPLE COSTS

Stipends & salaries	4578.4	4974.3	5080.3	5503.4	5586.0	5719.8
National insurance	379.6	421.0	424.6	467.6	474.6	481.7
Pension contributions	1499.1	1484.0	1514.0	1664.1	1689.1	1714.4
Vacancies due to timing of arrivals and departures	-	-137.6	-345.4	-673.2	-608.0	-540.4
Housing costs	1134.5	1142.3	1154.2	1191.5	1213.0	1227.2
Training costs	144.5	159.2	163.0	170.0	171.3	172.5
Grants payable and other staffing costs	189.0	155.0	180.5	183.4	186.1	188.9
SDF Grants payable	-	-	-	89.0	90.8	31.2
	7925.1	8198.2	8171.2	8595.8	8802.9	8995.3
Contributions to parochial ministry posts	-30.0	-29.4	-31.2	-32.7	-33.2	-33.7
Contributions to other people costs	-300.8	-213.7	-257.0	-310.9	-316.3	-326.5
	7594.3	7957.4	7883.0	8252.3	8453.4	8635.1

OTHER SUPPORT COSTS

Deanery leadership support	18.0	26.4	26.8	27.2	27.6	28.0
Bishop's Council	60.9	72.5	76.5	73.6	74.7	75.9
Funding Contributions	54.1	69.4	90.0	93.7	80.1	81.9
Safeguarding costs	74.3	78.1	90.8	128.3	130.6	133.0
Growing Disciples Fund	-	-	75.0	75.0	75.0	75.0
Discipleship & Ministry	49.8	68.3	69.8	61.5	63.1	64.1
Partnerships & Mission	23.9	42.5	46.4	49.6	50.3	51.6
Education	9.2	42.2	45.1	47.5	48.2	49.1
Communications	18.8	29.2	26.7	38.0	29.8	30.7
Parish Support	131.7	108.1	98.4	102.4	104.7	106.5
Finance & Resources (including office premises)	82.2	75.2	79.2	81.3	83.0	84.8
Chief Executive & Registrar	61.3	53.0	53.5	54.2	54.8	55.6
Trinity Church Nottingham (SDF Bid 1)	7.6	-	25.0	10.2	10.5	10.5
Younger Leadership College & Intern Scheme (SDF Bid 1)	24.1	-	64.7	61.3	62.4	63.5
The Potting Shed Church (SDF Bid 2)	-	-	-	75.0	-	-
Market Town Resource Church (Newark) (SDF Bid 2)	-	-	-	375.0	-	-
	615.9	664.9	867.9	1353.7	894.8	910.1

NATIONAL CHURCH COSTS

Training for Ministry (Vote 1)	194.9	194.9	202.7	207.0	214.2	221.7
National Church Responsibilities (Vote 2-4)	177.1	177.1	180.8	184.7	199.5	215.5
National Church CHARM subsidy (Vote 5)	63.6	63.5	66.6	69.9	71.6	73.4
Ordination candidates' financial support grants	105.6	160.0	164.8	140.0	142.1	144.2
Contribution to/-from national pooling	-97.5	-97.5	-42.5	-1.0	-43.1	-43.7
General Synod Members' Expenses (Pooled)	8.2	8.6	8.8	9.1	9.2	9.3
	451.9	506.6	581.2	609.7	593.5	620.4

TOTAL RESOURCES EXPENDED

	8662.1	+9128.9	+9332.1	+10215.7	+9941.7	+10165.6
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DEFICIT (-) / SURPLUS (+) FOR THE YEAR

	+164.9	+9.3	+3.3	-437.1	-350.5	-497.2
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SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

NOTES ON 2018 BUDGET

KEY BUDGET 2018, AND FORECAST 2019 & 2020 ASSUMPTIONS

	2018	2019	2020
Parish Share increase	1.5%	1.5%	1.5%
Collection percentage	90%	91%	92%
Salaries & stipends increase	1.5%	1.5%	1.5%
Overheads increase	1.5%	1.5%	1.5%

INCOME NOTES

Ministry Support - money received is received from Church Commissioners as we are one of the poorer Dioceses.

Strategic Development funding (SDF) - for Bid 1 and Bid 2 has been recognised in accordance with the bids and in relation to the expenditure on the projects.

Restructuring funding - received to fund the Program manager and Associate Archdeacon Positions.

Land and Buildings – rental income from Agricultural land and rental of parsonage houses net of charges. The other investment income is from the investments portfolio net of fees.

Education restricted funds – contributions for the salaries six FTE members of the Education department.

Parochial fees - are the fees received from parishes.

Allchurches Trust – grant received.

SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

NOTES ON 2018 BUDGET

EXPENDITURE NOTES

Housing costs – all repairs, council tax, water rates and housing allowances paid in respect of the parsonages. Any tenanted properties the repairs are netted off the income included in return on investments.

Training costs – costs of providing all Ministry and reader training including Partnership for Missional church, Readers, Lay stipendiary training & lay staff training.

Grants payable & other staffing costs – removal and resettlement grants, first appointment grants, sequestration costs, SSM travel costs.

SDF Grants – these are monies received for Operations managers & worship leaders that we will pay to the parishes.

Funding contributions – grants payable to external bodies. These are Sacrista Prebend, Rainbow Project and a core funding grant to Family Care.

Safeguarding costs – monies paid to Family Care to fund safeguarding advisor & safeguarding training manager posts

Growing Disciples fund - continued provision of £75,000 to provide parishes with grants to assist with Growing Disciples initiatives.

Contributions to people costs – monies received from external bodies towards salary/stipend costs of Diocesan staff & office holders.

Other support costs- costs of the various departments excluding salary, stipend and pension costs.

National Church costs – these are our costs payable towards training and retired clergy housing costs and financial support to our ordinands. The National Pooling charge/rebate is paid or charged as a share of the ordinand grants across all Dioceses. It is a way of sharing the financial support grants paid to the ordinands equally across all of the Dioceses, so it varies each year.

SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

NOTES ON 2018 BUDGET

PEOPLE COSTS

1. The elements, including the stipend, making up the cost of a stipendiary incumbent and the cost of a stipendiary curate:-

	2018		2017	
	<u>Stipendiary Incumbent</u>	<u>Stipendiary Curate</u>	<u>Stipendiary Incumbent</u>	<u>Stipendiary Curate</u>
	£	£	£	£
Stipend	25,931	24,196	25,548	23,838
National Insurance (employer's share)	2,459	2,220	2,399	2,017
Pension and death-in-service benefits	9,638	9,638	9,277	9,277
Average housing costs	9,839	9,839	9,541	9,541
Training costs	1,392	1,392	1,350	1,350
Other ministerial staffing costs	773	773	592	592
Total cost per post	50,032	48,058	48,707	46,615

In addition to the training costs shown above, the Board meets the costs of future ministry totalling £416,000 (2017 - £393,000) including National Church training costs and financial support grants to ordination candidates.

2. The Archbishops' Council, as the Central Stipends Authority (CSA), sets annually a national stipend benchmark, and adjusts this for regional variations in the cost of living for incumbents and other ministers of similar status. The Board's policy on the payment of stipends is subject to review by Bishop's Council.
3. The remuneration of the Diocesan Bishop, the Suffragan Bishop, the Dean and two Residentiary Canons at the Minster is met in full and paid directly by the Church Commissioners.
4. The average housing costs are for routine maintenance and the cost of refurbishment only. Separate provision is made for the costs associated with impairment reviews carried out by the staff of the Property Department. Each house is fully maintained with a view to ensuring that the total residual value is not less than the amount stated in the Board's annual financial statements.
5. The budget incorporates a taxable housing allowance payable by the Board to stipendiary clergy of incumbent status required to live in their own house, and a parish share credit of £8,560 for Parochial Church Councils (PCCs) housing stipendiary assistant clergy in PCC owned property. The amount set aside for council tax and water charges payable by the Board of Finance totals £419,200 in the 2018 budget.
6. The average housing cost of a "house for duty" priest, occupying a parsonage house amounts to £9,839 per annum as in the table above.

SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

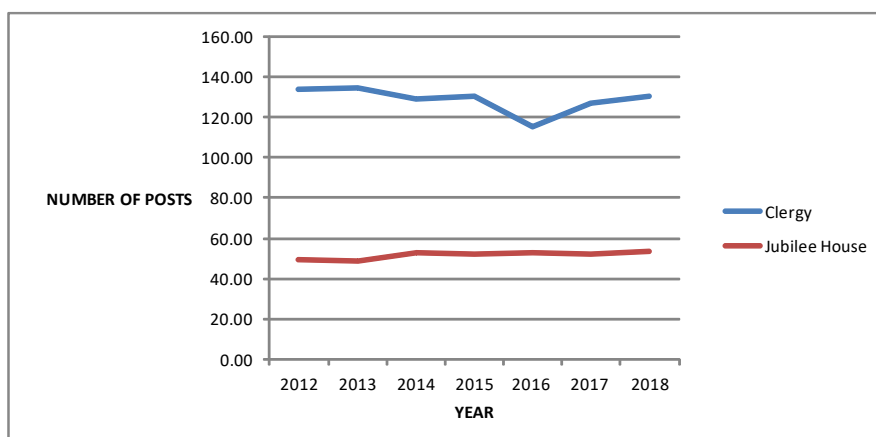
NOTES ON 2018 BUDGET
(continued)

NUMBER OF PEOPLE

7. The number of people in post and budgeted for is broken down as follows:

	<u>2018 (FTE)</u>	<u>2017 (FTE)</u>
	FTE = Full Time Equivalent	
Office Holders		
Stipendiary ministers (incumbent status)	118.45	110.62
Stipendiary curates (training curacies)	26.00	23.50
Anticipated average vacancies	-18.00	-10.00
Archdeacons	3.00	2.00
Bishop's Chaplain	1.00	1.00
Diocesan Registrar	0.60	0.60
Number of office holders	131.05	127.72
Employees		
Chief Executive & support	7.10	7.60
Communications	2.80	2.80
Deanery Administrators	2.75	2.75
Discipleship & Ministry	8.00	6.70
Partnerships and Mission	4.88	3.80
Education	10.90	12.90
Finance	3.40	3.40
Parish Support	9.73	10.33
Younger Leadership College	2.40	0.00
Mission Opportunity Posts	1.00	1.00
Number of employees	52.96	51.28
	<u>184.01</u>	<u>179.00</u>

NUMBER OF OFFICE HOLDERS AND EMPLOYEES IN POST



SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

NOTES ON 2018 BUDGET

(continued)

DBF EMPLOYEES

VACANCY LEVELS

8. The Diocese is still experiencing an unprecedented level of retirements, and we anticipate this continuing into 2018. The Bishop and Archdeacons are actively seeking to recruit clergy into vacant parishes, but they are ensuring that the clergy that will be recruited will be the most suitable candidate for the job.
9. Remuneration for employees comprises the salary, Employer's National Insurance and pension contribution. The gross staffing costs included in the budget for the year 2018 include provision for possible pay scale increases. A provision for a cost of living increase in salaries of 1.5% has been included in the budget. A decision about payment of an increase will not be taken until March 2018.
10. Payments are received from:
 - (i) the Church Commissioners for the remuneration of the Suffragan Bishop's Personal Assistant, an employee of the DBF (1.00 FTE).
 - (ii) Education restricted funds to finance part of the remuneration cost of staff in the Education Department.
 - (iii) Notts County Council have financed part of the remuneration & costs of the Diocesan Youth Officer in the Education Department.
 - (iv) Southwell Cathedral Chapter to finance part of the remuneration costs of the Media Officer and the Senior Finance Officer.
 - (v) Wind FX Limited & SNDBF Solar Limited to finance part of the remuneration costs of the finance team.
 - (vi) The following posts are currently funded by Strategic Development funding or Transition funding - Associate Archdeacon, Program manager and Younger leadership college posts.
11. The Board operates a defined benefit pension scheme in respect of 1 current member of staff who is an eligible employee. The Scheme was closed to new entrants from 1st April 1993. Following the results of the latest Triennial Actuarial Valuation for the Scheme, the Scheme Actuary has recommended a rate of contributions of 34.0% (previously 24.0%) of salaries for those lay staff who are members of the Scheme. Additionally, members are required to contribute 5% of salary to the Scheme.

For eligible employees whose employment began after 1st April 1993 the Board contributes 10% of salary to a defined contribution pension scheme nominated by the employee.

NON-STAFF COSTS AND INCOME

12. At the time of preparation of the 2018 budget, the latest available figure for the Consumer Prices Index (CPI) was 2.9% (August 2017). An increase of 1.5% has been provided for increases in budgets for non-staff costs. Each budget holder is expected to contain expenditure within their budget by if necessary, changing priorities.

SOUTHWELL & NOTTINGHAM DIOCESAN BOARD OF FINANCE

PROVISIONAL DEANERY SHARE 2018

	2017 Deanery share actually allocated	2018 DEANERY SHARE to be allocated	2017- 2018 per cent increase
Newark Archdeaconry			
Bassetlaw & Bawtry	£838,421	£827,500	-1.30%
Mansfield	£493,995	£503,875	2.00%
Newark & Southwell	£757,833	£772,990	2.00%
Newstead	£708,453	£696,306	-1.71%
Archdeaconry Totals	£2,798,702	£2,800,671	
Nottingham Archdeaconry			
East Bingham	£670,267	£683,672	2.00%
West Bingham	£789,549	£805,340	2.00%
Gedling	£790,973	£781,660	-1.18%
Nottingham North	£623,584	£611,112	-2.00%
Nottingham South	£990,185	£1,009,989	2.00%
Archdeaconry Totals	£3,864,558	£3,891,773	
Diocesan Totals	£6,663,260	£6,692,444	

FOR MORE INFORMATION ON...

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Director of Finance

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... **Parishes Giving Programmes and Gift Aid** please contact:

Director of Parish Support

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Our website:

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