



Diocese of Southwell & Nottingham

*Southwell & Nottingham Diocesan Synod
and Board of Finance*

**BUDGET 2016 &
FORECASTS 2017 & 2018**

RESOURCING THE TRANSFORMING MISSION OF GOD

Living Worship • Growing Disciples • Seeking Justice

The Diocese of Southwell & Nottingham

Budget 2016

Forecasts 2017 & 2018

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INTRODUCTION

I am very grateful indeed for all across the diocese who work tirelessly and give generously to enable the life and mission of the church to thrive. It is without question a season of great opportunity for us to love and serve the spiritual and physical needs of every soul entrusted to our care. As the new diocesan bishop I have been moved by the depth of compassion and commitment I have encountered among our clergy and congregations, living and proclaiming the Good News of Jesus Christ in every community.

A compelling vision for the future growth of the diocese in breadth and depth requires sound finances as well as encouraging renewed generosity of giving. The apostle Paul urged the believers in Corinth to 'excel in the grace of giving'. It will be necessary for us to nourish this spiritual gift among ourselves so that we are well placed to resource the new growth we anticipate and pray for, as set out in our diocese plan.

I am most grateful to the work of the Finance Committee of the Bishop's Council. Working within the objective to have to have a balanced budget over three years, members have considered all aspects of the 2016 budget. Around 90% of our costs are in respect of our people and therefore are fixed, with the exception of a few inflationary changes, and any changes in the pension and National Insurance regimes.

The total number of posts remains constant. The forecasted increase in stipends and salaries included in the budget is 1.5%. The eagle-eyed amongst you will have spotted the adjustment in the budget for the timing of arrivals and departures of clergy. The average time taken to fill clergy vacancies in the Diocese is between six months and a year, and therefore this line is seeking to represent the saving in stipends that are made during the vacancy period, so we have a more accurate figure for stipends. The 1.5% inflationary percentage has been applied across the other overheads until 2018.

Bishop's Council have determined that a Deanery share increase of 2% is to be requested for 2016, with a cap and collar of 0% and 3% applied to it. This results in the General Funds bearing £15,000 of the Deanery share which will not be allocated, together with a forecasted discount figure of £40,000. There continues to be a focus on parishes that are unable or unwilling to contribute fully to their requested share, and we are looking at ways to support them. In anticipation of this the percentage of Share received is forecast to increase by 1% each year from 92% in 2015 to 95% in 2018.

Our gracious God is extravagant in his love towards us and so I commend to you this budget confident that he will supply our needs as every person and each parish responds to his generosity towards us. Once again a huge thank you for all the many ways you already share together in the glorious mission of our Lord Jesus Christ.

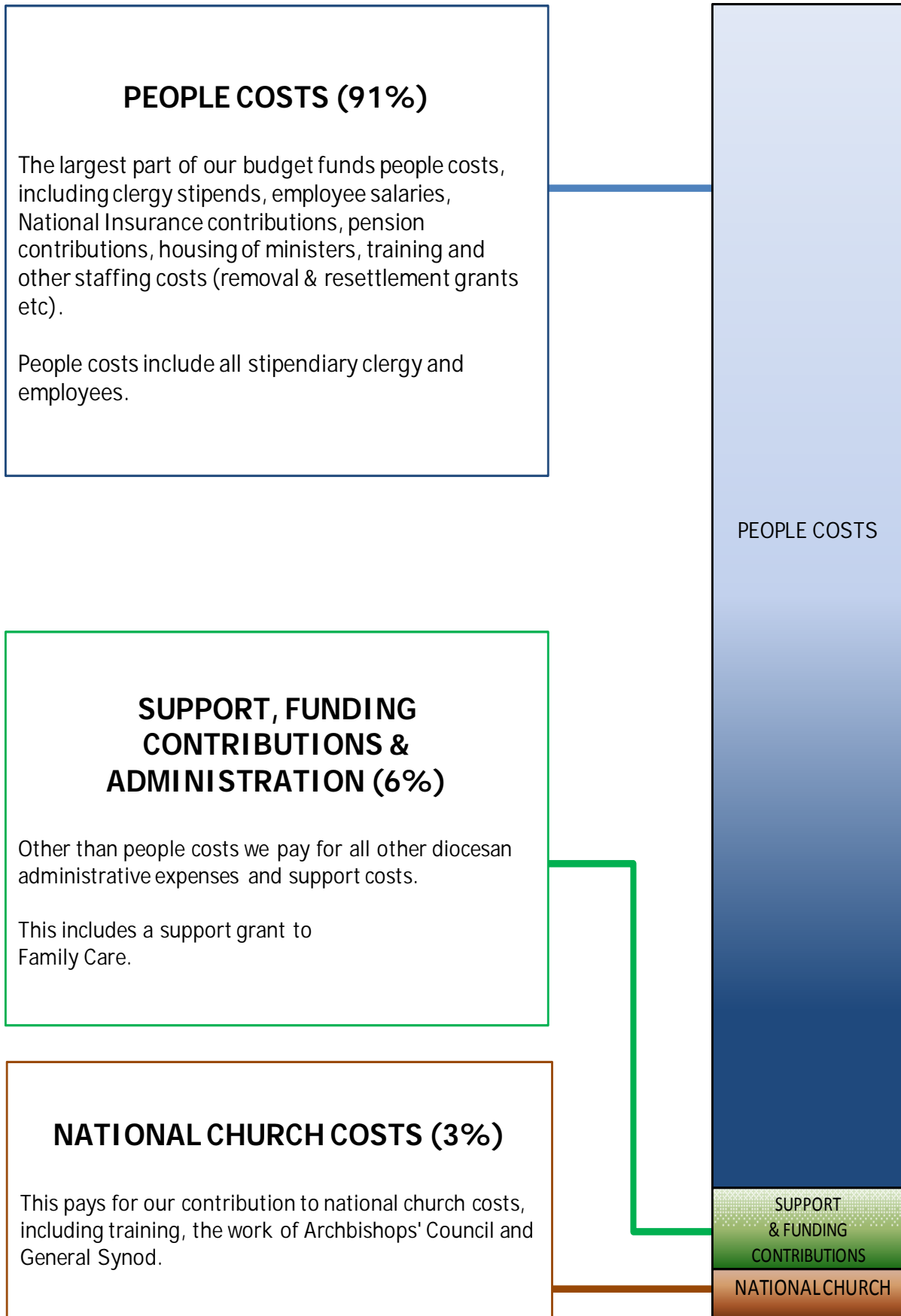
With every blessing

A handwritten signature in cursive script that reads "Paul" with a small cross symbol to its left. A horizontal line is drawn underneath the signature.

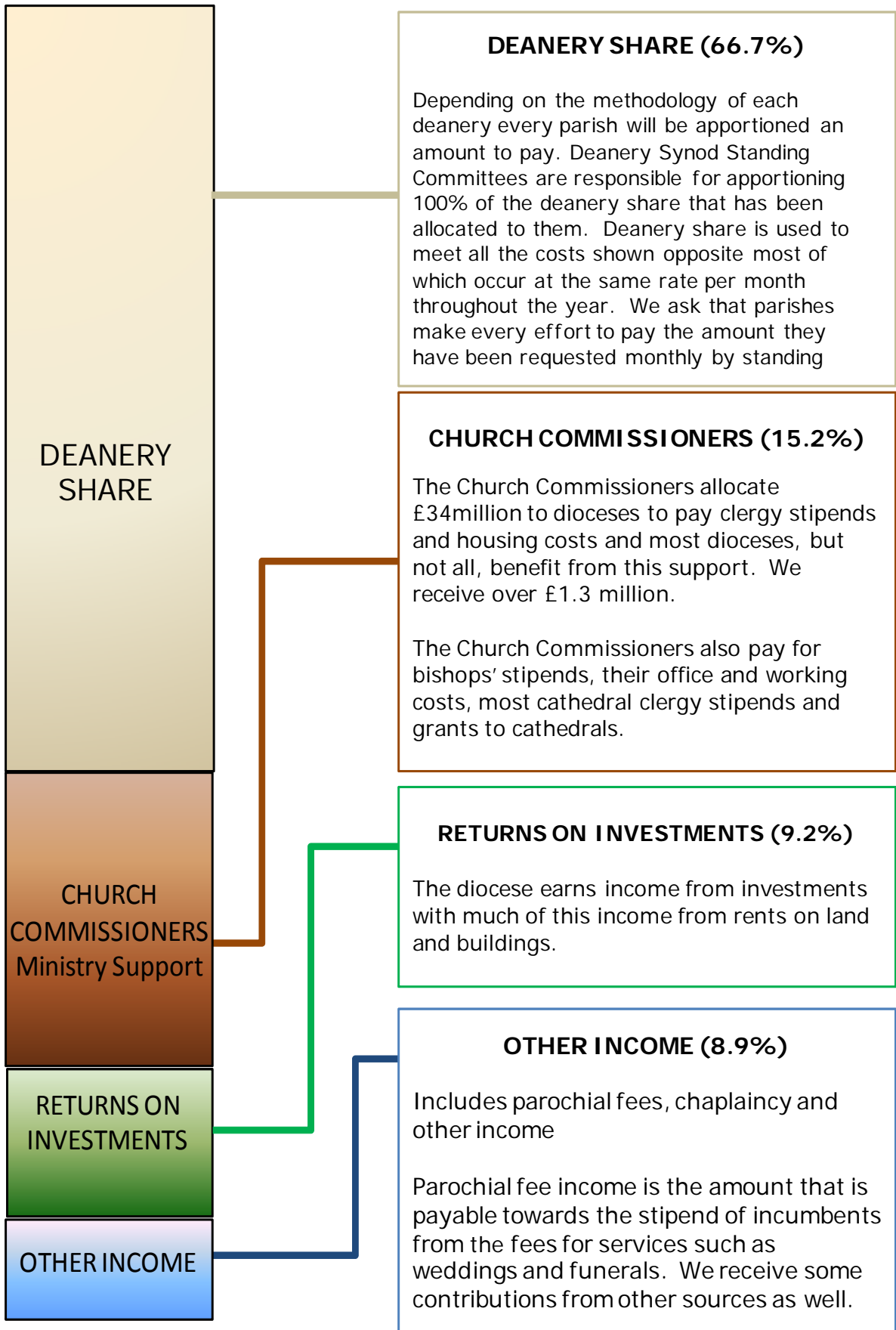
Bishop Paul

22 September 2015

BUDGET 2016 - WHERE THE MONEY WILL GO...



BUDGET 2016 - WHERE WILL THE MONEY COME FROM...



SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

BUDGET SUMMARY 2016

GENERAL FUND

INCOMING RESOURCES

DEANERY SHARE

	2014 Budget £000	2014 Actual £000	2015 Budget £000	2016 Budget £000	2017 Forecast £000	2018 Forecast £000
Gross deanery share payable/paid	6356.8	6352.7	6486.7	6616.4	6748.7	6883.7
Share capping	-4.2	-	-	-15.3	-	-
Net deanery share payable/paid before discounts	6352.6	6352.7	6486.7	6601.1	6748.7	6883.7
Parish share discounts	-40.0	-34.4	-40.0	-40.0	-40.0	-40.0
Deanery share payable/paid net of discounts etc	6312.6	6318.3	6446.7	6561.1	6708.7	6843.7
Shortfall		-592.3	-521.5	-462.1	-404.9	-344.2
Deanery share payable/paid net of shortfall		5726.0	5925.2	6099.0	6303.8	6499.5

CONTRIBUTIONS FROM CHURCH COMMISSIONERS

Ministry Support	1348.5	1348.5	1331.5	1314.2	1300.0	1300.0
Mission Development Funding	145.4	145.4	148.0	148.0	148.0	148.0
Amount transferred to Mission Development Funds	-75.0	-75.0	-75.0	-75.0	-75.0	-75.0
TOTAL	1418.9	1418.9	1404.5	1387.2	1373.0	1373.0

RETURNS ON INVESTMENTS

Land and Buildings	389.4	389.2	397.3	405.3	413.4	421.7
Other Investments	372.9	266.3	421.1	432.1	433.8	435.6
TOTAL	762.3	655.5	818.4	837.4	847.2	857.3

OTHER INCOME

Parochial Fees	437.5	480.7	440.0	480.0	494.0	501.0
All Churches Trust Distribution	122.0	125.3	124.0	126.0	130.0	132.0
Education restricted funds	206.9	135.7	208.8	208.6	211.9	215.2
TOTAL	766.4	741.7	772.8	814.6	835.9	848.2

TOTAL INCOMING RESOURCES

TOTAL	9260.2	8542.1	8920.9	9138.2	9359.9	9578.0
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RESOURCES EXPENDED

PEOPLE COSTS

Stipends & salaries	4838.2	4667.3	4908.8	4974.3	5149.6	5226.8
National insurance	423.0	384.0	423.9	421.0	433.7	440.2
Pension contributions	1366.1	1340.4	1464.6	1484.0	1506.3	1528.9
Vacancies due to timing of arrivals and departures				-137.6	-141.8	-143.9
Housing costs	1539.7	1073.3	1143.2	1142.3	1172.9	1194.3
Training costs	153.6	153.9	145.8	159.2	162.6	163.7
Grants payable and other staffing costs	149.9	192.6	152.8	155.0	157.5	159.8
TOTAL	8470.5	7811.5	8239.1	8198.2	8440.8	8569.8
Contributions to parochial ministry posts	-18.1	-30.4	-29.4	-29.4	-30.2	-30.7
Contributions to other people costs	-221.3	-216.1	-201.5	-211.4	-216.9	-222.8
TOTAL	8231.1	7565.0	8008.2	7957.4	8193.7	8316.3

OTHER SUPPORT COSTS

Deanery leadership support	25.5	20.2	26.0	26.4	26.8	27.2
Bishop's Council & Funding Contributions	198.2	181.0	206.7	214.0	218.0	220.6
Ministry & Mission	48.3	43.5	57.5	56.7	57.5	58.9
Partnerships & Mission	37.5	22.9	34.3	32.9	33.3	33.4
Education	57.9	25.9	59.7	69.4	71.1	72.4
Communications	24.1	18.8	25.7	29.2	24.9	25.5
Parish Support	115.9	97.2	106.1	108.1	109.9	112.3
Finance & Resources (including office premises)	59.6	68.5	61.1	75.2	76.7	78.4
Chief Executive & Registrar	56.1	53.2	45.8	53.0	53.8	54.7
TOTAL	623.1	531.2	622.9	664.9	672.0	683.4

TOTAL	8854.2	8096.2	8631.1	8622.3	8865.7	8999.7
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NATIONAL CHURCH COSTS

Training for Ministry (Vote 1)	190.2	190.2	191.3	194.9	200.8	203.8
National Church Responsibilities (Vote 2-4)	174.1	174.0	174.2	177.1	182.5	185.2
National Church CHARM subsidy (Vote 5)	58.1	58.1	60.7	63.5	65.5	66.5
Ordination candidates' financial support grants	195.6	166.4	140.0	160.0	164.8	167.3
Contribution to/-from national pooling	-20.8	-	-55.6	-97.5	-75.0	-76.1
Contribution from designated/restricted funds	-54.0	-20.8	-	-	-	-
General Synod Members' Expenses (Pooled)	8.2	5.6	8.4	8.6	8.8	8.9
TOTAL	551.4	573.5	519.0	506.6	547.4	555.6

TOTAL RESOURCES EXPENDED

TOTAL	+9405.6	8669.7	+9150.1	+9128.9	+9413.1	+9555.3
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DEFICIT (-) / SURPLUS (+) FOR THE YEAR

TO (+) / FROM (-) GENERAL FUND RESERVES

TOTAL	-145.4	-127.6	-229.2	+9.3	-53.2	+22.7
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KEY BUDGET 2016, AND FORECAST 2017 & 2018 ASSUMPTIONS

	Budget	Forecast	
	2016	2017	2018
Number of posts (full-time equivalent)	189.0	189.0	189.0
Provision for increase in stipends	1.5%	1.5%	1.5%
Provision for increase in staff salaries	1.5%	1.5%	1.5%
Average deanery share increase	2.0%	2.0%	2.0%
Deanery share shortfall %	7.0%	6.0%	5.0%
Inflation for overheads	1.5%	1.5%	1.5%

ACTUAL, BUDGET & FORECAST MOVEMENT IN GENERAL FUNDS : Surplus (+) / DEFICIT (-)

2012 £ 000 Actual	2013 £ 000 Actual	2014 £ 000 Actual	2015 £ 000 Forecast*	2016 £ 000 Forecast	2017 £ 000 Forecast	3-year running total £ 000
+76.0	+84.0	(127.6)				+32.4
	+84.0	(127.6)	+24.0			(19.6)
		(127.6)	+24.0	+9.3		(94.3)
			+24.0	+9.3	(53.2)	(19.9)

* Based on General Fund Forecast at end of June 2015.

SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

NOTES ON 2016 BUDGET

PEOPLE COSTS

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

	2016		2015	
	Stipendiary Incumbent	Stipendiary Curate	Stipendiary Incumbent	Stipendiary Curate
	£	£	£	£
Stipend	24,912	23,250	24,788	23,135
National Insurance (employer's share)	2,046	1,990	2,008	1,874
Pension and death-in-service benefits	9,050	9,050	9,048	9,048
Average housing costs	7,782	7,782	7,797	7,797
Training costs	708	708	676	676
Other staffing costs	1,116	1,116	1,082	1,082
Total cost per post	45,614	43,896	45,399	43,612

In addition to the training costs shown above, the Board meets the costs of future ministry totalling £257,400 (2015 -£275,700) 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 £411,000 in the 2016 budget.
6. The average housing cost of a "house for duty" SSM, occupying a parsonage house amounts to £7,782 per annum as in the table above.

SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

NOTES ON 2016 BUDGET

(continued)

NUMBER OF PEOPLE

7. The number of office holders and employees can be broken down as follows:

	<u>2016 (FTE)</u>	<u>2015 (FTE)</u>
	FTE = Full Time Equivalent	
Office Holders		
Stipendiary ministers (incumbent status)	109.82	110.40
Stipendiary curates (training curacies)	23.50	23.50
Archdeacons	2.00	2.00
Bishop's Chaplain	1.00	1.00
Diocesan Registrar	0.60	0.60
Number of office holders	136.92	137.50
Employees		
Chief Executive & support	8.10	8.10
Communications & IT	2.80	2.80
Deanery Administrators	2.75	2.75
Development	10.30	10.30
Education	12.90	12.90
Finance	3.40	3.40
Parish Support	10.83	10.25
Mission Opportunity Posts	1.00	1.00
Number of employees	52.08	51.50
	<u>189.00</u>	<u>189.00</u>

DBF EMPLOYEES

8. Remuneration for employees comprises the salary, Employer's National Insurance and pension contribution. The gross staffing costs included in the budget for the year 2016 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 2016.

9. 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.

SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

NOTES ON 2016 BUDGET

(continued)

DBF EMPLOYEES (continued)

10. The Board operates a defined benefit pension scheme in respect of 2 current members of staff who are eligible employees. 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

11. At the time of preparation of the 2016 budget, the latest available figure for the Consumer Prices Index (CPI) was -0.1% (May 2015). The updated figure for August 2015 was 0%. 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.

FOR MORE INFORMATION ON...

... **Diocesan finance** please contact:

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:

www.southwell.anglican.org

SOUTHWELL & NOTTINGHAM DIOCESAN BOARD OF FINANCE

PROVISIONAL DEANERY SHARE 2016

	2015 Deanery share actually allocated	2016 DEANERY SHARE to be allocated	2015-2016 per cent increase
Newark Archdeaconry			
Bassetlaw & Bawtry	£814,001	£838,421	3.0%
Mansfield	£479,001	£484,309	1.1%
Newark & Southwell	£735,760	£757,833	3.0%
Newstead	£695,003	£708,453	1.9%
Archdeaconry Totals	£2,723,765	£2,789,016	
Nottingham Archdeaconry			
East Bingham	£645,889	£657,125	1.7%
West Bingham	£764,450	£774,068	1.3%
Gedling	£786,524	£786,524	0.0%
Nottingham North	£623,584	£623,584	0.0%
Nottingham South	£942,495	£970,770	3.0%
Archdeaconry Totals	£3,762,942	£3,812,071	
Diocesan Totals	£6,486,707	£6,601,087	