

Diocese of Southwell & Nottingham

*Southwell & Nottingham Diocesan Synod  
and Board of Finance*

BUDGET 2019 &  
FORECASTS 2020 & 2021



# **The Diocese of Southwell & Nottingham**

Budget 2019

Forecasts 2020 & 2021

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# SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

## INTRODUCTION

*"Now to him who by the power at work within us is able to accomplish abundantly far more than all we can ask or imagine, to him be glory in the church and in Christ Jesus to all generations, for ever and ever. Amen."* (Ephesians 3:20-21).

We have continued to be abundantly blessed in many diverse ways throughout our diocese during 2017-18, seeing first-hand the power of Christ Jesus at work through our 302 parishes as well as through our wider ministries in schools, universities, hospitals and prisons.

It is less than two years ago since our diocesan vision of 'Growing Disciples: Wider, Younger, Deeper' was discerned and articulated, providing a clear strategic framework to shape the mission of our diocese, as by 2023 we seek to:-

- **Welcome 7000 new disciples into the fellowship of Christ and his church.** Many parishes have sought to put into effect their own priorities to grow disciples, with resources and capabilities made available to help nurture the faith of others. Following the appointment of the Revd David Emerton as Principal of the School of Discipleship from January 2018, the new 'Real LIFE' discipleship course launched in September, across three locations around the diocese. Unlocking and liberating the gifts of the laity is foundational if we are to sustain 'growing disciples' in every context; many in our parishes are also presently discerning their call to train for Licensed Lay Ministry – this training will also be delivered through the School of Discipleship. We also continue to see an increase in those seeking to train for ordained ministry within our diocese, and in July 2018, we welcomed nine new deacons and ten new priests to serve in diverse contexts around the diocese. It is hugely encouraging to witness whom God is both sending and drawing us to. Over the last 2 years, we have made 28 stipendiary incumbent-level appointments and over the past year 75 of our licensed clergy have participated in our leading for growth training days.



Leadership in Lent Commissioning

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**Commission 1,000 Younger Leaders (15–30) equipped to serve the purpose of God in the Church and Society.** The Younger Leadership College, launched in Nov 2016, has trained its second cohort of interns and since its inception, engaged in nurturing younger leaders in our 9 Church of England Secondary Schools, as well as working closely with student-age at university. Building on the successful Bishop's Leadership in Lent programme in the spring, this Executive Leadership Programme focused on sixth form age, will launch in a further 3 secondary schools. Existing relationships with our educational partners are being deepened through discipleship formation groups running in church secondary schools and across two deaneries. Our Sector Mentoring scheme will also be strengthened by a new partnership with the London Institute for Contemporary Christianity (LICC).



Sector Mentoring Commissioning

- **Plant or graft 75 New Worshipping Communities (NWC's)** across the diocese to increase our reach in telling the story of Jesus to all. The missional imperative at the heart of new worshipping communities is to reach significant numbers in our communities currently untouched by any encounter with a present worshipping congregation. With the help of our Growing Disciples fund and investment from the Strategic Development Fund, there are some heartening stories already emerging. In our urban church plant in Nottingham, Trinity Church, many are connecting with church for the first time or rediscovering their love for Christ, with a weekly congregation that has grown in depth, diversity and number now regularly attracting over 250 worshippers. New worshipping communities are emerging, and people are finding faith, in contrasting settings, such as the new church in a former hairdresser's shop on the Montrose Estate in Stapleford, and the Potting Shed Church meeting now in a barn in the rural centre of the county. This ministry has received new impetus with the appointment of a Church Growth and Planting Enabler from September 2018, supporting churches of all sizes and traditions as they respond to the opportunities to reach people in fresh ways.

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Tower Service at Selston

- **Grow 25 larger Resourcing Churches inspired and equipped to 'give themselves away'** with a clear commitment to nurture leaders, plant New Worshipping Communities, and disciple the young. Key appointments have been made to several potential resourcing churches, touching all parts of the diocese. Most recently, following a season of prayerful discernment and careful planning with the Deanery leadership and the Parochial Church Council, St. Margaret's, Aspley has been identified as our new resourcing church in the Nottingham North Deanery, with a focus on supporting and enabling new ministry on the urban estates in the deanery. This will form part of a new partnership of parishes coming together across the deanery to re-imagine church growth and serve communities in areas of huge potential yet significant deprivation.
- **Serve as 1 Church contending for the gospel in every community and sphere of public life** in our city, county and region. As we reach out with the good news of Jesus Christ, may we never lose sight that it is by his power at work within us, that we are seeking the growth of his church and extension of his Kingdom. We long therefore for the Holy Spirit to bring vision to our planning, faith to our lives and instil hope in our communities. And we have much to be hopeful about and thankful for. In 2018, as a diocese we submitted a further application for Church Commissioners' Strategic Development Funding for work in alignment with the diocesan vision. This application has been successful and will add to the funding received in the previous two successful applications.

## SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE



Refresh Event at St Giles

As we seek to deliver our diocesan vision for 'Growing Disciples wider, younger and deeper', we can look ahead with a clear sense that we have the strategic priorities in place to support this. However, ultimately it is the core work undertaken in every parish, benefice and local community, where the Gospel of Christ is encountered and faithfully lived out in daily life and in stories shared, that is at the heart of our vision moving forward. It is my hope that each parish and worshipping community will develop a compelling picture of its own future in God's purposes, which creates the momentum for growth and enables an abundance of the Spirit to flow into the communities we seek to serve.

We continue to be intentional in our approach to mission. To ensure resources and initiatives are sustained. It therefore remains critical that we address the need to increase Parish Share paid across the diocese so that we can maintain beyond 2020 the present projection for stipendiary ministry. Many parishes are meeting their Parish Share with considerable commitment and determination, others are falling well short. In the autumn, and through the focus of the Bishop's Council, these parishes will be given more intentional support to grow their levels of financial giving, in line with their local ministerial costs. We recognise that these challenges often correspond to addressing the particular issues that parishes are facing in seeking to grow the church numerically and spiritually.

Additionally, latest returns from the Church of England's 2016 Single Church Statistics for Mission do not make for comfortable reading. In this national sample, over 35% of churches have no-one under the age of 16 on a Sunday with over 65% seeing less than 5 under 16's on a Sunday. Research suggests that 40% of people who identify as Christian, came to faith by the age of 5 years, with a further 16% by the age of 10 years. As a diocese, we want to raise the profile of evangelism and discipleship amongst our 0-11 years. With this in mind starting in the autumn of 2018, there will be exciting opportunities for some churches to make a step-change in their children's ministry, including a renewed focus on the links between primary schools and local church communities – more information to follow.



## SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

I continue to be most thankful for the work of the Bishop's Council in their ongoing engagement and support for all aspects of the diocesan vision. I am also deeply grateful for the outstanding leadership of clergy and laity across the diocese, as well as the extraordinary faithfulness of many congregations as they sustain and grow the life and mission of the church in their community.

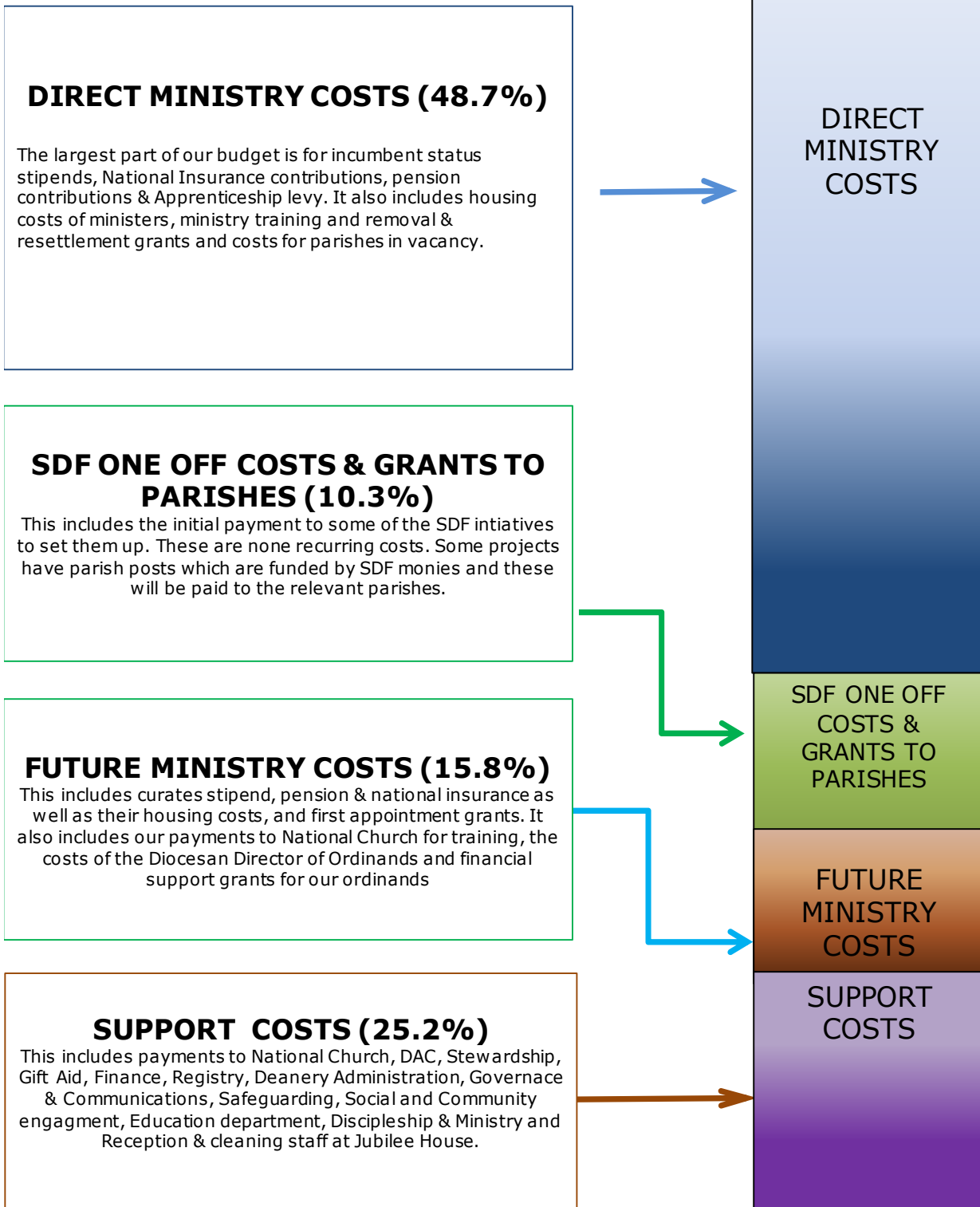
I am pleased to commend this budget to you. I am filled with hope that, based on the blessings of the past two years, now is the time for every parish to prayerfully and intentionally seize the new opportunities provided through God's unimagined abundant power and grace, so that we can continue building on the strong foundations for mission laid over many years in this diocese.

With gratitude for our partnership in the gospel,

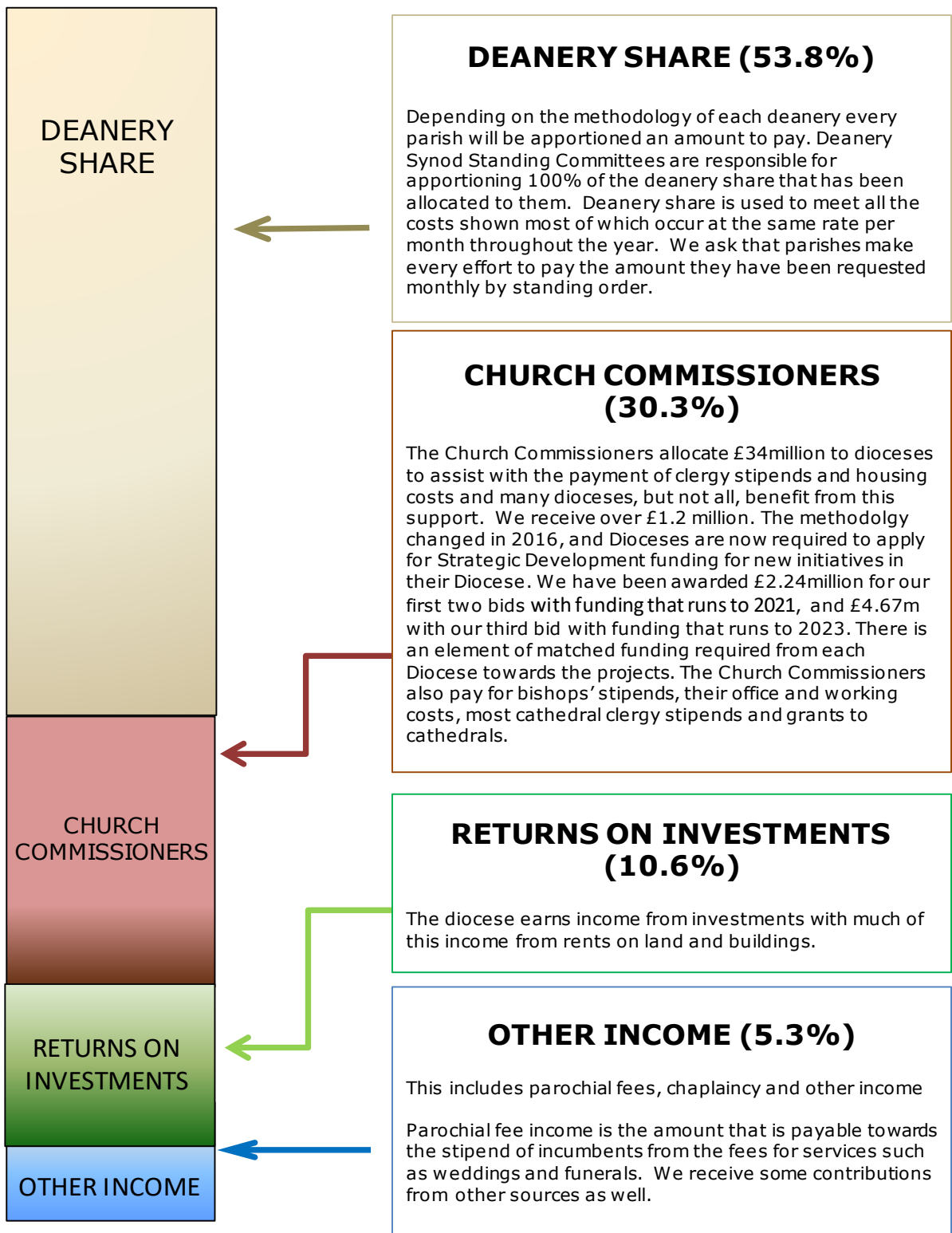
Bishop Paul

**10** September 2018

**WHERE THE MONEY GOES:-**



**WHERE THE MONEY COMES FROM:-**



# SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

## OVERVIEW

The budget for 2019 and subsequent forecasts for 2020 & 2021 all show operating deficits. This is primarily due to the level of parish share received, being less than that which is required to meet our costs. Each year the diocese has committed to invest funds to match money received from the Strategic Development Fund. In time these successful projects will require funding with diocesan income. Our Diocesan vision is ambitious and requires both financial and non-financial resource.

Our plans from 2018 to 2022 include maintaining our full time stipendiary posts at 2012 numbers with a decreasing number of vacancies.. We are also increasing the total number of curates in training to 30. Increases of this kind require investment in quality housing and their associated costs and training.

In July Diocesan Synod agreed a revised calculation for Deanery Share. The Deanery Leadership Teams have embraced the challenge to increase the overall Share given both during a period of transition and into the future. The increase towards 100% of Share being received will take a few years and therefore to return to annual breakeven budgets a review of the cost base of all Diocesan expenditure is taking place. Recommendations of this review will be considered by Bishop's Council and implemented during 2019.

## Deanery Share

To date the level of Deanery Share requested has been the difference between expenditure determined by Diocesan Synod and what we receive from the various income streams other than Deanery Share. This figure will continue to be calculated and shown in the budget so that we are clear about the level to which we need to be moving and will be the amount requested when we have moved through a transition period..

The outcome of the revised calculation is that 2 deaneries would be due a decrease in the amount of Share requested and the other 7 increase by very different amounts.

Following meetings with Deanery leaders it has been agreed that:-

- the 2 Nottingham Deaneries will continue to pay the amount they paid in 2017 even though the new methodology produces a decrease in share in 2019 deanery share
- the other 7 Deaneries who have an increase in deanery share will contribute at least the amount paid in 2017 plus 3% plus CPI (at June 2018). They will seek to continue to increase annually at least at the rate of 3% plus CPI until they are contributing at the level the new calculation determines.

Until all deaneries are contributing at the calculated level, no deanery will decrease their previous year's share.

The CPI figure used for this purpose will be the figure at 30 June, as published by the Office of National Statistics. CPI at 30 June 2018 is 2.4%.

SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

SOUTHWELL & NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE							
BUDGET SUMMARY 2019							
	ACTUAL 2017	BUDGET 2018	FORECAST 2018	BUDGET 2019	FORECAST 2020	FORECAST 2021	
<b>INCOMING RESOURCES</b>							
<b>DEANERY SHARE</b>							
Gross Deanery share	6680.6	6715.6	6715.6	6849.9	6986.9	7126.6	
Share capping		-23.2	-23.2				
Parish share discounts	-39.5	-40.0	-40.0	-40.0	-40.0	-40.0	
	6641.1	6652.4	6652.4	6809.9	6946.9	7086.6	
Shortfall	-922.9	-669.2	-998.2	-872.4	-802.4	-559.3	
<b>DEANERY SHARE REQUESTED FROM DEANERIES</b>	<b>5718.2</b>	<b>5983.2</b>	<b>5654.2</b>	<b>5978.8</b>	<b>6258.2</b>	<b>6527.3</b>	
<b>CONTRIBUTIONS FROM CHURCH COMMISSIONERS</b>							
Lowest Income Community Funding	1299.2	1288.0	1288.0	1322.1	1348.6	1375.5	
Strategic Development Funding	558.3	1279.0	520.1	1958.3	1211.8	1115.3	
Restructuring Funding	35.9	100.0	100.0	93.8	58.3		
	1893.4	2667.0	1908.1	3374.2	2618.7	2490.8	
<b>RETURNS ON INVESTMENTS</b>							
Land & Buildings	432.3	394.2	394.2	428.0	436.6	445.4	
Cromwell Quarry income			244.0	300.0	230.0	225.0	
Financial investments	450.3	458.6	458.6	455.2	459.9	464.5	
	882.6	852.8	1096.8	1183.2	1126.5	1134.9	
<b>OTHER INCOME</b>							
Parochial Fees	408.5	517.0	425.0	450.0	459.0	468.2	
All Churches Trust Distribution	131.6	130.0	130.0	135.7	139.5	143.2	
	540.1	647.0	555.0	585.7	598.5	611.4	
MAT Income			15.6				
<b>TOTAL INCOMING RESOURCES</b>	<b>9034.3</b>	<b>10150.0</b>	<b>9229.7</b>	<b>11121.9</b>	<b>10601.8</b>	<b>10764.4</b>	
<b>RESOURCES EXPENDED</b>							
Direct Ministry Costs	4969.7	5270.5	5280.2	5579.3	5891.6	6175.2	
Future Ministry Costs	1393.7	1566.6	1566.6	1811.2	1849.2	1889.1	
Support Costs	2339.6	2950.1	2648.5	2897.3	2867.4	2918.5	
<b>TOTAL MINISTRY COSTS</b>	<b>8702.9</b>	<b>9787.2</b>	<b>9495.2</b>	<b>10287.7</b>	<b>10608.2</b>	<b>10982.8</b>	
Strategic Development fund One off costs & grants to parishes	291.2	800.0	352.2	1187.7	232.4	173.4	
Forecasted savings in costs			288.4				
<b>SURPLUS/DEFICIT FOR THE YEAR</b>	<b>40.2</b>	<b>-437.2</b>	<b>-329.3</b>	<b>-353.5</b>	<b>-238.7</b>	<b>-391.8</b>	

## SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

### INCOME

**Gross Deanery Share** – This is the calculated amount for the 9 deaneries using the new 2019 parish share calculation. It is NOT the amount that the diocese will be requesting of 7 deaneries. For 2020 and 2021 the forecast is for a 2% increase each year. The shortfall is the result of the suggested way that the deaneries will transition between the old parish share calculation and the new one.

**Deanery Share Requested from Deaneries** – as described in the paragraph on page 8 less discounts

**Ministry Support (LICF)** – money received is received from Church Commissioner's funds received from Archbishops Council. This increases by 3.21% in 2019.

**Strategic Development funding (SDF)** – for Bid 1, Bid 2 and Bid 3 has been recognised in accordance with the bids and in relation to the expenditure on the projects.

All SDF bids have an element of matched funding from the Diocese and the SDF funding for Trinity Church Nottingham (TCN) and The Younger Leadership College (YLC) ceases in 2020. TCN is expected to be self-funding. YLC will be 100% funded from the diocese income.

**Restructuring funding** – to fund the Programme Management Office Coordinator and the Associate Archdeacon Positions.

**Land and Buildings** – rental income from our agricultural portfolio and rental of parsonage houses net of charges. We are in receipt of an additional income in respect of mineral rights from Cromwell Quarry from 2018 to 2021 only when the mineral extraction will be complete. This ranges from £230,000 to £300,000 each year.

**Financial Investments** – income received from the Diocesan financial investments

**Parochial fees** – the fees received from parishes for occasional offices

**Allchurches Trust** – we are fortunate to receive a grant from All Churches Trust. This income is assured until 2022.

## SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

### EXPENDITURE NOTES

All overheads carry an inflationary increase of 2%, with the exception of Council tax and insurance, which we anticipate will be greater than 2%.

The budget includes a 2% increase in all salaries and stipends. Between September and February these costs will be reviewed and Bishops Council will decide what increase, of no more than 2% in 2019, will be enacted from the 1<sup>st</sup> April 2019. The following table shows the number of people included in the 2019 budget :-

	Posts included in 2019 budget for which external funding is received	<u>2019 (FTE)</u>	<u>2018 (FTE)</u>
FTE = Full Time Equivalent			
<b>Office Holders</b>			
Stipendiary ministers (incumbent status)		117.75	118.45
Stipendiary curates (training curacies)		30.00	26.00
Archdeacons		2.00	2.00
Diocesan Registrar		0.60	0.60
		<b>150.35</b>	<b>147.05</b>
<b>Employees</b>			
Associate Archdeacon for Transition	1	1.00	1.00
Chief Executive & support	1	4.90	4.50
Communications	0.16	2.80	2.80
Deanery Administrators		3.00	2.75
Discipleship & Ministry		10.25	10.40
Partnerships and Mission	1	5.38	4.88
Education	2	11.10	10.90
Finance	0.5	3.40	3.40
Parish Support	1	9.75	9.73
<b>Mission Opportunity Posts</b>		1.00	1.00
Anticipated average vacancies		-14.00	-18.00
		<b>6.66</b>	<b>188.93</b>
		<b>188.93</b>	<b>180.41</b>

The total number of clergy posts being paid was 117.05 in June 2018. This is projected to increase to 127.05 in December 2018.

## SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

### Direct Ministry Costs

	ACTUAL 2017	FORECAS T 2018	BUDGET 2019	BUDGET 2020	BUDGET 2021
	£000	£000	£000	£000	£000
Incumbent status Stipend, National Insurance, Apprenticeship levy & Pension	3472.9	3752.5	4048.5	4326.5	4573.7
Housing, Resettlement & First Appointment grants & costs for parishes in vacancy	1320.0	1271.3	1261.5	1295.8	1327.1
Ministry Training	176.8	256.4	269.3	269.3	274.4
<b>TOTAL</b>	<b>4969.7</b>	<b>5280.2</b>	<b>5579.3</b>	<b>5891.6</b>	<b>6175.2</b>

The incumbent status ministerial numbers increase from 135.75 in 2019 to 144.75 posts in 2021. The budget includes a 2% increase each year for stipend increases.

The housing budget was overspent in 2017, due to an unexpected number of moves into the Diocese, as any major ingoing works is left until a clergy person is appointed to a vacant role. Our property surveyor is anticipating being within budget in 2018, and then 2% inflationary increases have been applied year on year. Council tax and Insurance are assumed to increase 5% in 2019 and each year thereafter.

The ministry training offering has been reshaped during 2018 and this accounts for the significant increase in costs from 2017 to 2018. £31,000 in total of these costs over the three year period will be covered by SDF income.



## SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

### Future Ministry Costs

	ACTUAL 2017	FORECAS T 2018	BUDGET 2019	BUDGET 2020	BUDGET 2021
	£000	£000	£000	£000	£000
Clergy Stipend, National Insurance, Apprenticeship levy & Pension	872.66	913.1	1097.1	1119.0	1141.4
Housing, Resettlement & First Appointment grants	197.24	190.0	218.2	223.4	228.8
Curate Training – including Diocesan Director of Ordinands, financial support grants, payments to National Church for Training	323.8	463.5	495.9	506.8	518.9
<b>TOTAL</b>	<b>1393.7</b>	<b>1566.6</b>	<b>1811.2</b>	<b>1849.2</b>	<b>1889.1</b>

The curate numbers have increased from 26 in the 2018 budget to 30 in the 2019 budget and each year thereafter. The comments on the housing costs also apply to curate housing.

Curate training includes our payment for National training costs which increase by 2.53% in 2019. The support grants and pooling charges which are included in this line are difficult to forecast as the pooling is based on our share of all dioceses payments made to all ordinands in training.

The individual financial support grants are calculated on a case by case basis and are also difficult to forecast. The budgets are based on 2% increases each year.

## SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

### Ministry Support Costs

	ACTUAL 2017	FORECAST 2018	BUDGET 2019	BUDGET 2020	BUDGET 2021
	£000	£000	£000	£000	£000
<b>National Church –</b> Diocesan Contribution to National Church excluding Training	254.6	263.7	270.6	280.0	288.3
<b>Parish Support –</b> Stewardship advisors, DAC, Gift Aid, Finance, Registry, Deanery Admin	603.3	666.2	783.0	790.6	803.2
<b>Governance &amp; Communications –</b> Chief Executives office, Communications department  Bishops Council & Diocesan Synod	427.8	366.9	522.2	500.5	513.3
<b>Safeguarding</b>	136.6	140.2	142.8	145.6	145.9
<b>Social &amp; Community Engagement –</b> External Grants & Partnerships and Mission	296.7	363.6	314.2	306.2	300.9
<b>Education –</b> Director of Education, Deputy Director of Education, schools advisors, university and secondary school chaplains	184.8	283.9	267.9	273.6	277.9
<b>Discipleship &amp; Ministry–</b> School of Discipleship, Younger Leadership College, Children & Youth, Lay training costs	328.2	476.9	513.5	486.3	502.6
<b>Jubilee House –</b> Reception, Caretaker, IT, Cleaners	107.6	87.1	83.1	84.6	86.4
<b>SDF Initiatives –</b> one off costs for new projects	291.2	352.2	1187.7	232.4	173.4
<b>TOTAL</b>	<b>2630.8</b>	<b>3000.7</b>	<b>4085.0</b>	<b>3099.8</b>	<b>3091.9</b>

**National Church** – these are our required contribution (excluding training costs) towards retired clergy costs, Mission Agency pension contributions, National Church Responsibilities and National Church grants. The forecasted level of expenditure is indicated by the Archbishops Council budget.

## SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE

**Parish Support** – these are the costs involved in supporting all our parishes from Jubilee House. The large increase in costs between 2018 and 2019 is the introduction of the New Worshipping Communities Grant fund, which is covered by SDF income until 2022. The increase in costs from 2017 to the 2018 budget is the inclusion of the Growing Disciples fund at its full cost of £75,000. The grants given out in 2017 were only £18,500.

**Governance & Communications** – these are the costs for the Communications & Chief Executive's department and costs of Bishops Council and Synod. The increase in costs from 2018 to 2019 is the inclusion of a provision for Bishops Mission in 2019 and the salary for the Project Manager Coordinator. The Project Manager Coordinator's salary is covered by restructuring funding.

**Safeguarding costs** – these are our costs for our training and delivery of our safeguarding service.

**Social and Community Engagement** – the variance in 2017 to 2018 is the underspend on posts as the deaf chaplain did not work for a proportion of 2017. The companion links projects were fairly quiet in 2017 and did not spend their budget allocation, but will be more active in 2018/19. There is also a reduction in the external grant funding we provide to Family Care in 2019 as it closed in August 2018.

**Education** – the 2017 budget was underspent as the 2 FE chaplains positions were not filled, and we received more income than forecast from our service to church schools. From 2019 we are only forecasting 1 FE Chaplains post.

**Discipleship & Ministry** – the costs of clergy training are included in direct ministry costs. The costs included here are Real LIFE, School of Discipleship, Youth and Children's Ministry and Sports Ministry. We will receive £210,000 in total from 2018–2023 in SDF income towards the costs of the School of Discipleship and Real LIFE.

**Jubilee House** – the only major variable in this line is the IT spend. The other costs of cleaners, reception staff and caretakers are mainly salaries.

**SDF Initiatives** – these costs are the grants we are claiming for parish employed posts to pay back to them and one cost reordering and seedcorn funding for initial investment in new projects



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## **FOR MORE INFORMATION ON...**

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

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

Director of Parish Support

Tel: 01636 817244 or email [fraser@southwell.anglican.org](mailto:fraser@southwell.anglican.org)

## **Our website:**

[www.southwell.anglican.org](http://www.southwell.anglican.org)