

Diocese of Southwell & Nottingham

*Southwell & Nottingham Diocesan Board of
Finance*

PROPOSED BUDGET 2025

Bishop's Foreword to the Diocesan Budget 2025

"Devote yourselves to prayer, being watchful and thankful." Colossians 4v2

Much thought, care and imagination from all parts of the diocese has enabled us to refresh the diocesan vision looking to 2030. I am very grateful for all those who have contributed to this through sharing the stories of what God is already doing, everything we are learning, and the things we would love to see happening over the coming years. In the spring of 2024, we set out this refreshed vision in a series of gatherings around the diocese, supported by some excellent online resources and hands-on materials. It was galvanising to have so many people engaged in this, and I was heartened by the way we recognised the challenges we need to go on addressing while not diminishing the joy we share in pursuing our single aim which is Growing Disciples of Christ together. In the face of every challenge confronting our society and wider world both now and, in the future, I am convinced there is still nothing better that anyone can do with their life than become a follower of Jesus Christ. Communities of people in every place who love God and are learning to walk in the way of Jesus, by the continual empowering of the Holy Spirit, really can cause rivers of living hope to flow through our city, towns and villages.

The refreshed vision places a new emphasis on the character of what it means to be a disciple, because this has never been simply about numbers or the survival plan for an institution. This is about people and churches of all shapes and sizes who are distinguished by the quality of their relational life, known for the way we display the compassion, confidence and courage of Jesus. It then becomes the most natural and compelling thing in the world to invite people to come and join us in the adventure of following Jesus; evangelism is no longer an activity of the church or something people outside the church feel is being done to them. Instead it is the holy heart-beat of the church filled with awe and wonder at what God has done and is doing.

Compassion is about our Motivation - to meet the world's deepest needs with Jesus' love

Confidence is about our Foundations - to root our life and faith in Jesus

Courage is about our Action - to share Jesus with all our hearts

We have identified 7 Areas of Focus that we believe are most consistently present in growing churches and in the stories of disciples growing in faith and love. They can also be a useful framework in reflecting upon and developing a growing disciples plan, for a local church and every Christian. When God brings the growth it is dynamic and constantly surprising. While, on occasion, I encounter a church that has experienced consistent growth numerically and spiritually without a plan and little idea how it happened, throughout the history of the church, starting in the Acts of the Apostles, the Holy Spirit guides and inspires the Church through her planning. A compelling and irresistible vision of Christ and his kingdom inspires, indeed demands, that there should be a plan, and that the best resources (above all people) are then aligned to it. The story of the church demonstrates that the best plans ever made have to do with worship and prayer.

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When God's people truly devote themselves to prayer extraordinary things happen. In prayer we learn to express our complete dependence on the Lord; we set aside our need to prove ourselves and rejoice to know that we are already approved by God through the cross of Christ and can marvel that we are loved beyond measure. The world at its worst needs the church to be at its best. I urge us to devote ourselves to nothing less than a heaven-sent spiritual revival that will go on transforming our lives and animating the mission of the church in every place. God has done it before in many parts of our city and county and He can do it again.

The 7 Focus Areas we are especially committed to are:

Inspiring Worship

Reaching Younger

Enhancing Diversity

Growing Leaders

Enabling Commitment

Encouraging Generosity

Nurturing Prayer

Everything in this budget is intended to support the mission of the whole diocese in Growing Disciples, with particular attention to these focus areas. If it will not help us to do this, then we should not approve the budget. I hope you will be assured to hear that along with the Bishop's Council, I believe that this budget is both ambitious and prudent, and most importantly aligned with our vision and strategy. It sets an expectation for further growth which I hope we can all rise to. Yet the health and vitality of the mission we share is not going to be advanced by a wise financial plan alone but the bold commitment of those who share the responsibility of leadership in Synod and every local parish, to devote ourselves to prayer, being watchful and thankful. Here is the fuel for ministry and for spreading the hope of God everywhere. It includes pursuing excellence in safeguarding, the very best educational outcomes across our 73 schools, and 300 local churches growing many more disciples who will be agents of change in society and across the world, filled with the compassion, confidence and courage of Christ. Thank you for your part in this unfolding story.

May I take this opportunity to thank you for all you give of your life, skills, financial resources and leadership to bring the living hope of Christ to the city, towns and villages of Nottinghamshire and beyond. I commend this budget to you.

With every blessing and gratitude for your partnership in the gospel,

Bishop Paul

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OVERVIEW

The Diocese has reviewed and refreshed its strategic vision and seeks to embed this across the Diocese in the coming years. It submitted a major funding application to the National Church from the Diocesan Investment Programme (DIP) in September 2024 with a decision to be announced towards the end of 2024.

This proposed budget does not provide for any funding in respect of this application due to it not being approved. If approved, the grant will provide funding in the main for activities that have not yet commenced. If the application is successful, the effect on the overall operating position is likely to be minimal for 2025 as the new activity costs would be reclaimed from DIP.

The following increases in costs have been assumed in the 2025 budget:

	Percentage increase on 2024
Share received	A 4% increase has been assumed across the Diocese whilst noting that individual trajectories will be provided to parishes for the period of 2025-2035
Stipends & Salaries	3%
Other Expenses	Up to 4%

Share Requested

Considerable work has been undertaken by the Parish Share Review Working Group to review the methodology used to calculate Share. Deanery roadshows are taking place in the Autumn to further conversations and collaborative working with parishes on their journeys of generosity. Multiyear trajectories are being developed for all parishes detailing their annual ask up to 2025 (2030 initially).

The trajectories allow parishes to work within their Parish Share Paying Unit (PSPU) and together they are journeying towards paying a greater proportion of their cost of ministry. While some parishes are already paying their full ministry costs, every 'Parish Share Paying Unit (PSPU)' (benefice/parish/or other) plans towards paying their full costs of their ministry.

To support parishes with this challenge, the DBF has agreed to all subsidise the statutory and governance costs until 2030 as recommended by the Parish Share Working Group report.

The individual Share trajectories take into account Lowest Income Community (LInC) funding received from Archbishops' Council to support ministry in the 25% most deprived parishes in the Diocese. There are indications that this funding, to the most deprived dioceses, will continue to be received by the Diocese until 2030.

Financial challenges

We continue to prayerfully discern how we are funding the ministry and mission of the Diocese for the long term as part of the refreshment of the strategic vision. A key focus of the DIP funding application is to become financially sustainable in the long term with a response from the Strategic Mission and Ministry Investment Board expected in October.

The long term strategic financial objective remains to return to balancing the operational budget; put simply that means our annual income meets our annual expenditure.

In recent years there has been a budgeted shortfall of operating income covering expenditure. This was £607,000 in 2024. In practice actual operating deficits have been smaller due to higher than budgeted vacancies, both in parish and central roles.

As part of discussions surrounding parish share, we are working with the Communications Team to ensure the language is consistent throughout all communications. As a result of this, some of the wording in this document may be adjusted.

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SOUTHWELL & NOTTINGHAM DIOCESAN BOARD OF FINANCE

BUDGET SUMMARY

	ACTUAL 2023 £'000	BUDGET 2024 £'000	BUDGET 2025 £'000
INCOMING RESOURCES			
PARISH SHARE	5,450	5,750	5,981
INCOME FROM NATIONAL CHURCH			
Lowest Income Community Funding	1,271	1,290	1,290
Contribution to National Ordinand Training	171	15	-50
Strategic Ministry Funding for curates	423	440	683
Strategic Development Funding	1,029	564	435
Posts of First Responsibility funding	0	110	113
Capacity fund for Digital Giving Advisor and Associate Archdeaco	0	103	106
C of E Ministry Experience Scheme (CEMES)	74	40	56
	<hr/> 2,968	<hr/> 2,562	<hr/> 2,633
INVESTMENT INCOME			
Property Rental (net of costs)	405	325	385
Agricultural Rent (net of costs)	370	370	407
Financial investments (net of costs)	594	490	576
	<hr/> 1,369	<hr/> 1,185	<hr/> 1,368
OTHER INCOME			
Parochial Fees	316	320	320
Benefact Trust Grant	129	115	100
Contributions from schools for Chaplains	114	72	86
Recharges	306	280	254
	<hr/> 865	<hr/> 787	<hr/> 760
TOTAL INCOMING RESOURCES	<hr/> 10,652	<hr/> 10,284	<hr/> 10,742
RESOURCES EXPENDED			
Direct Ministry	4,629	4,903	5,071
Direct Ministry Support	1,387	1,519	1,663
Developing Ministry	2,154	2,218	2,380
Diocese Statutory and Governance	2,071	1,990	2,082
SDF Reclaimable Expenditure	511	261	267
TOTAL MINISTRY COSTS	<hr/> 10,752	<hr/> 10,891	<hr/> 11,463
OPERATING (DEFICIT)/SURPLUS	<hr/> -100	<hr/> -607	<hr/> -721

INCOME

Parish Share – An overall diocesan increase of 4% is assumed on the 2024 budgeted total. 2025 share figures were provided to each parish in July 2024 with detailed Share trajectories for 2026-30 being prepared for every PSPU before the end of 2024.

Lowest Income Community (LiNC) Funding – received annually from Archbishops' Council as we are one of the poorest dioceses as measured by independent deprivation data.

Contribution to National Ordinand Training – the Church of England pools the costs of the eligible expenditure on ordinand maintenance grants paid by each Diocese. The total is shared between the dioceses in the same proportions as the apportionment of central costs, resulting in a net payment or refund for each diocese to make up the difference between each diocese's direct expenditure on grants and its apportioned amount. It has been confirmed for 2025 we will contribute £50,000.

Strategic Ministry Funding for curates – an annual grant from Archbishops' Council to fund future Ministry costs. We receive funding for 5 additional curates over our baseline number of 5.

Strategic Development funding (SDF) - income has been recognised in the budget in accordance with our bids and in relation to actual expenditure on the projects. SDF bids require an element of matched funding.

Posts of First Responsibility (PFR) – time limited funding from Archbishops' Council towards 3.0 FTE specific posts for first incumbent status posts.

Capacity funding – time limited funding of the Digital Giving Advisor and Associate Archdeacon roles.

C of E Ministry Experience Scheme (CEMES) – annual grant towards the costs of the intern programme.

Property rental – income (net of management charges and maintenance costs) from the rental of clergy housing during vacancies, and housing not presently required for ministerial purposes.

Agricultural rent – income (net of management costs) from Glebe land towards the cost of clergy stipends.

Financial Investment income – dividends and interest (net of charges) from our financial investment portfolios managed by our external investment managers.

Parochial fees - the fees received via parishes for occasional offices (weddings and funerals). The level of income reduced during the pandemic and is not anticipated to recover.

Benefact Trust – we are fortunate to receive a grant from Benefact Trust, which will gradually reduce to nil in the coming years, as Benefact moves to an application model for all grants.

Contributions from schools for Chaplains – the DBE funds 0.25 FTE of secondary school chaplains' costs, with the school contributing the balance in this line of the budget.

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Recharges - the income represents the Church Commissioners' contribution to the costs of the Diocesan Registrar, as the bishop's legal advisor, the reimbursement of the Bishop of Sherwood's PA, fees received for the completion of Gift Aid claims on behalf of Parishes and contributions from parishes in relation to the housing of interns (not budgeted in 2024).

EXPENDITURE NOTES

The budget has been prepared using the assumptions in the table above.

The following table shows the number of people included in the 2025 budget: -

NUMBER OF PEOPLE 2025 Budget

		External funding received	2024 FTE	External funding received	2025 FTE
Direct Ministry	Stipendiary incumbent status posts (non-time limited)		96.30		96.55
	Time limited appointments - Transformational Change & Posts of First Responsibility	7.70	17.00	7.70	18.00
	House for duty posts		1.25		0.75
			<u>114.55</u>		<u>115.30</u>
	Anticipated vacancies		-25.00		-25.00
			<u>89.55</u>		<u>90.30</u>
Developing Ministry	Curates	12.60	30.00	12.60	30.00
	Discipleship & Ministry - Ordinand and Intern training		2.80		2.80
			<u>32.80</u>		<u>32.80</u>
Direct Ministry Support	Archdeacons (including Associate Archdeacon)	1.00	3.00	1.00	3.00
	Bishop's Advisor for Urban & Estates Ministry		0.50		0.50
	Deanery support		2.46		2.46
	Giving & Property	1.30	4.46	1.30	4.46
	Safeguarding	0.40	5.71	0.40	5.71
	School & University Chaplains	1.75	4.95	2.05	5.30
	Discipleship & Ministry - Director, wellbeing & development, children & youth	1.00	8.00	1.00	7.00
	Discipleship & Ministry - Chaplaincy Lead & Workplace Chaplain	0.50	1.40	0.50	1.40
			<u>30.48</u>		<u>29.84</u>
Statutory and Governance	DAC		1.00		1.00
	Communications		2.00		2.20
	Finance		3.66		3.66
	Diocesan Registry	0.40	1.10	0.40	1.10
	Education	0.20	5.30	0.20	5.30
	Jubilee House		2.58		2.35
	Partnerships		0.58		0.58
	HR		1.00		1.00
	Programme Management	1.00	2.00	3.00	4.00
	CEO, Admin support for CEO, Archdeacons & governance		2.50		2.50
			<u>21.72</u>		<u>23.69</u>
Total budgeted posts	27.85	<u>174.55</u>	30.15	<u>176.63</u>	
		2024 Headcount		2025 Headcount	
Non-stipendiary Ministry	Non-retired clergy with PtO		21.00		25.00
	Retired clergy with PtO		127.00		119.00
	SSM - Associate Ministers		15.00		11.00
	SSM - Curates		7.00		8.00
	Licensed Lay Ministers/Readers		99.00		100.00
	Retired Lay Ministers/Readers with PtO		96.00		103.00
		<u>365.00</u>		<u>366.00</u>	

One of the key recommendations of the Parish Share Review Working Group has led to the recategorisation of ministry costs into four categories, per above. These new categories aim to increase transparency in the makeup of our ministry costs. Comparative figures for actual 2023 and budget 2024 are restated to reflect this change.

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Direct Ministry Costs

	Actual 2023 £000	Budget 2024 £000	Budget 2025 £000
Clergy stipend, National Insurance, apprenticeship Levy and pension	3,413	3,822	4,030
Housing, resettlement costs, grants for parishes in vacancy,	1,216	1,082	1,040
TOTAL	4,629	4,903	5,071

Stipends – a budgeted 3% increase to maintain incumbent status stipends at the National Stipend Benchmark (NSB).

Housing – includes the costs of housing maintenance, insurance, Council Tax, water rates and removal costs/grants. Housing maintenance budget has not been increased as more cost-effective and reliable contractors have been engaged during 2024. The split of costs between Direct and Developing Ministry Costs has been refined based on current occupation.

Direct Ministry Support Costs

	Actual 2023 £000	Budget 2024 £000	Budget 2025 £000
Deanery Admin, Archdeacons, giving advisor and property team	237	352	386
Safeguarding	266	290	316
School and University Chaplains	242	244	261
Grants	108	100	100
Training for Clergy and Lay D and M staff , Director, Clergy Wellbeing and Youth and Children	280	312	361
D and M staff -Chaplaincy Lead and work place Chaplain	50	54	58
Sequestration	101	85	99
TOTAL	1,387	1,519	1,663

Deanery Admin – Each Deanery is assisted by their Deanery administration team which are made up of posts ranging from 0.3 -0.5 FTE post per Deanery, dependent upon local needs.

Archdeacons' costs - a budgeted 3% increase to maintain Archdeacon status stipends at the recommended national level. Now includes the costs of the Associate Archdeacon, a nationally funded role.

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Property Team – costs of staff serving parish clergy to ensure housing is maintained to a good standard and that repairs are undertaken cost effectively to an acceptable standard.

Safeguarding – includes the costs of the Cathedral Safeguarding Officer (costs paid by the Minster budgeted income from working partnerships).

School and University Chaplains – in our secondary schools and two universities. Contributions from our schools are budgeted as income from working partnerships.

Grants – Growing Disciples Fund grants, which are available to all churches.

Training for Clergy & lay – the cost of ongoing training for clergy, readers and LLMs and courses for parishes, including Disciple.

D&M staff – Director, clergy wellbeing and youth and children – the cost of the Director for D&M, Principal for Wellbeing and Ministerial Development and Children/Youth Team focused on supporting parishes.

Sequestration – reimbursement of fees to vacant parishes of ministry costs.

Developing Ministry Costs

	Actual 2023 £000	Budget 2024 £000	Budget 2025 £000
Curate stipend, National Insurance, apprenticeship Levy and pension	1,015	1141	1,204
Housing, resettlement and first appointment grants for parishes in vacancy,	404	351	355
Training of Curates and Ordinands	506	545	573
Intern Programme	229	180	248
TOTAL	2,154	2218	2,380

Stipends – a budgeted increase of 3%.

Housing - Includes all housing costs including allowances, grants, repairs and utilities such as house insurance, Council Tax and water rates/usage for housing occupied by curates.

Training of Curates and Ordinands – Curate training and ordinand support grants. These vary significantly, dependent upon the personal circumstances of each ordinand and our apportionment of most of the costs of training clergy for deployment in the Church of England. Includes the costs of the Diocesan Director of Ordinands (DDO).

Intern Programme – costs of running the intern programme, including housing and living allowances paid to interns. Costs are attributed on the number of interns joining the programme each year. We are assuming 26 for 2025 which is higher than previous years, which requires an additional house.

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Diocese Statutory and Governance costs

	Actual 2023	Budget 2024	Budget 2025
	£000	£000	£000
DAC	14	58	61
Communications	171	228	208
Audit and finance	245	233	256
Registry	155	151	153
Education	294	319	340
National Church	239	238	248
Pension Scheme	54	40	40
Jubilee House	352	268	280
Partnership officer and Grants	74	64	55
Training and HR	75	53	57
Programme Management	84	91	97
Chief Executive's Office inc HR	129	142	151
Bishops Office recharged	35	38	40
Capacity Posts reclaimed from SDF	150	67	95
TOTAL	2,071	1,990	2,082

DAC – relates to the costs of the DAC Secretary to support parishes to fulfil the requirements of the Faculty Jurisdiction Rules, DAC meetings and closed churches. 2023 actual includes a fund transfer of £39k relating to closed churches.

Communications – actual 2023 underspend was due to the Director of Communications and Digital Communications Officer vacancies. Reflects the transfer from Discipleship & Ministry team of budget for 1.0 FTE to facilitate the reshaping of the team to support parishes and assist with the communication of the refreshed diocesan vision.

Audit and finance – ensuring Companies Act and Charities Act requirements are met and supporting parishes with the stewardship of resources locally.

Registry – Registrar's and Chancellor's retainers, as specified by legislation, and the Registry Clerk.

Education – the costs of the Diocesan Education Team to meet the statutory obligations of the DBE Measure and embed Christian distinctiveness in our 73 church schools across the Diocese.

Diocesan share of National Church costs

National church costs are apportioned to dioceses based on factors including local income levels, diocesan and parish investment income and is updated to reflect the latest input data. The operating costs of the Archbishops' Council departments and the Council's share of shared service departments such as Communications, Finance, Legal, Technology and Human Resources.

Our share also contributes towards the Church of England's contributions to the Anglican Communion Office, ecumenical organisations, the Church Urban Fund, the Council's Legal Costs Fund and other minor grants, as well as covering the cost of Pension contributions for clergy serving with the Partnership for World Mission (PWM) mission agencies who are regarded as being "in service" for the purposes of the Clergy Pension Scheme and the contribution to retired clergy housing.

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Pension Scheme – actuarial and administration costs relating to the closed lay staff pension scheme.

Jubilee House – running costs for Jubilee House in its role of serving the Diocese, including utilities, postage, other consumables, depreciation and salaries of reception, cleaning and maintenance staff.

Partnership grants – annual grants to Citizens UK, Transforming Notts Together (TNT) and Refugee Roots to help facilitate their support for local churches to engage with their local communities as part of whole life discipleship.

Programme Management – governance of our Strategic Development Fund (SDF) projects and support for local churches with their strategic planning (including Growing Disciples Plans).

Chief Executive's office (including HR) – governance costs, including legal & professional fees and HR support for the wider Diocese.