



BUDGET 2017

**DIOCESAN SYNOD
ON 12th NOVEMBER 2016**



THE BUDGET 2017

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DIOCESE OF CHICHESTER

Introduction to 2017 Budget

I am happy to present to Diocesan Synod our Budget for 2017. At the time of going to press this is still out for consultation with our deaneries and parishes as they consider their giving for next year. It is our hope that, with the continuing generous support of church members throughout East and West Sussex, we will be able to maintain and enhance the work of our churches and schools in all our communities, supported by a strong and efficient senior staff and diocesan office, and to balance our books for the year.

The budget shows our continuing success in managing the Diocese's assets effectively with an overall increase in costs of 0.6% whilst income from sources other than Parish Share is up by 3.3%.

In the year ahead, we will continue the substantial investment programme to refurbish our clergy's housing, continuing to fund part of this from the Pastoral Fund so as not to lay too heavy a burden on our parishes. Similarly, the extra expenditure required for transformational support for church schools will be funded by releasing a second tranche of the £900,000 Diocesan Synod voted for this purpose in 2015, also from the Pastoral Fund. Setting aside these exceptional contributions from the Pastoral Fund, a breakeven budget would require an average increase in Parish Share across the Diocese of 1.4%.

Other important investments for the year ahead will be made in areas such as the promotion of lay ministry, reader training, rural chaplaincy, leadership development and in recruiting a legacy officer to help parishes to maintain and grow this important income stream. We have also budgeted to deliver events and resources for the Year of the Bible, our diocesan theme for 2017.

This year our IT budget will fall with management of IT projects being undertaken by staff within the General Office budget instead.

I would like to thank everyone who has worked to put this budget together and those who exercise stewardship over our finances and all who give so generously to promote the Church's work in Sussex. I commend the draft Budget as presented here for Diocesan Synod's approval.

John Booth
Chairman of the Finance Committee
October 2016

DIOCESE OF CHICHESTER

The 2017 Budget Explained – “What are you paying for?”

In 2017 the Diocese of Chichester will spend £19.6 million to support ministry and mission in our parishes throughout Sussex. Of this expenditure, the vast majority – 77.9% - is spent on the 348 people (304 clergy and 44 lay) who work for the Diocese. This covers clergy stipends, lay salaries, pension and associated employer taxes as well as the cost of housing our clergy.

The major source of income is the parish ministry contribution. The 2017 budgeted figure of £14,572,783 represents an anticipated increase of £179,412 on the actual deanery promises for 2016. This will account for 74.5% of the Diocese’s total income and give a balanced budget.

Below is a summary breakdown of the activity and expenditure. More information about the Diocesan activities and budgets is given in the appendix.

DIOCESE OF CHICHESTER					
BUDGET 2016 (Summary)					
	2017			2017	
<u>INCOME</u>	£	%	<u>EXPENDITURE</u>	£	%
Parish contribution	14,572,783	74.5%	Clergy stipend, grants and fees	7,831,578	40.0%
Investment income	1,474,400	7.5%	Clergy pension contributions	2,390,355	12.2%
Fees and local income	652,500	3.3%	Clergy workers housing	3,197,101	16.3%
Housing and glebe income	805,722	4.1%	Training - ordination & other	1,483,761	7.6%
Grants and other income	393,968	2.0%	Church insurance premium	1,068,730	5.5%
			Parish support costs	2,837,545	14.5%
Transfer from Pastoral Account	1,675,000	8.6%	Exceptional item	13,000	0.1%
			National church responsibilities	752,302	3.8%
Total Budgeted Income	19,574,373	100%	Total Budgeted Expenditure	19,574,373	100.0%
			Projected breakeven budget for the year	-	

Clergy stipends, grants and fees, clergy pension contributions and clergy housing are the direct costs of providing clergy and lay workers to our Diocese. These will account for 68.5% of the budgeted expenditure. The average Parish Ministry Cost for a parish with one full-time stipendiary post will be £69,038 plus insurance premium costs in 2017. Parish Ministry Cost includes stipend, pension and housing, and a share of training, parish and ministry support costs. The majority of clergy receive a stipend and contribution to a final salary pension scheme. In addition the Diocese pays employer’s National Insurance contributions and housing costs, consisting of insurance, in-going works, repairs, surveyors and support staff.

Training – ordination and other is the cost of training future clergy and ongoing training, including vocational work and training for ordained and lay ministry and discipleship. This accounts for 7.6% of the budgeted expenditure, the major element of which is the contribution

to the Church of England to support national training and support of ordinands, both stipendiary and self-supporting.

Church insurance premium is the cost of insuring the parish churches. Although the insurance of the churches is a direct responsibility of the PCCs, the Diocese has arranged a group scheme with Ecclesiastical Insurance Group. This has a two-fold benefit in that each parish gains the price advantage of a group rate on its premium and can pay the premium via its monthly parish contribution, aiding cash flow for the parish over the year.

Parish support costs cover services provided by the Diocese to support both parishes and clergy and to assist in the development of ministry and mission. The advice and skills available enrich and support the Christian ministry in our parishes and deaneries and are provided by various departments and teams at Church House. The parishes are encouraged to make use of these Diocesan teams and advice can be obtained on matters such as:

▶ **Church growth** ▶ **Evangelism** ▶ **Stewardship** ▶ **Youth and Childrens' work**
▶ **Working with church schools** ▶ **Serving the community** ▶ **Safeguarding children and adults** ▶ **Overseas links** ▶ **Community projects** ▶ **Building works** ▶ **Environmental responsibility** ▶ **Finance and administration** ▶ **Legal matters**

The funding for the Schools department also serves the 158 Church of England schools in the Diocese and supports chaplaincy work in both further and higher education establishments.

Also included under **parish support costs** is the cost of the legal and financial executive of the Diocesan Synod. This provides synodical, corporate, legal, financial and governance services to the Diocese and assists the parishes in a number of pastoral schemes.

The **exceptional item** relates to temporary financial support given to the resource centre at The Magnet in St Leonards-on-sea.

National church responsibilities encompass the costs associated with our support to the Church of England, except *National Training*, referred to in **Training – ordination and other**. The main element here is our contribution to the central administration of the church and other agreed national costs. These include funding for retired clergy housing.

How are we doing compared to other Dioceses?

The Church of England periodically publishes data relating to all its Dioceses. Data published recently shows that the parish contribution requested per church member in 2015 (the most recent data available) is lower in the Diocese of Chichester than the national average: £416 per church member was requested in Chichester against £434 across the Church of England. Chichester's request was the 25th highest out of 43 Dioceses, with the majority of those requesting less being in the north of the country.

The level of giving within our churches continues to improve, thanks in large part to the strong take up of the Parish Giving Scheme: giving per church member rose from an average of £12.20 per week in 2013 to £12.30 in 2014 (again the most recent data available). This the 14th highest rate amongst the 43 dioceses, and is £1.08 more than the national average, and £0.39 more than the average for the Province of Canterbury, which includes the more affluent Dioceses in the south of the country.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE

DRAFT BUDGET 2017

Actual 2015		Budget 2016	Budget 2017	%age on 16	%age of total
£	<u>INCOME (excl. Parish Contribution)</u>	£	£		
1,394,634	Dividends & interest	1,428,300	1,474,400	3.2%	44.3%
216,565	Grants from restricted funds	212,600	218,200	2.6%	6.6%
336,160	Glebe	304,400	354,892	16.6%	10.7%
421,910	Housing	410,000	450,830	10.0%	13.6%
812,857	Fees & local income	687,788	652,500	-5.1%	19.6%
191,522	Miscellaneous grants and donations	178,508	175,768	-1.5%	5.3%
3,373,648	TOTAL INCOME	3,221,596	3,326,590	3.3%	100.0%
	<u>EXPENDITURE</u>				
	<u>Ministry</u>				
7,601,409	Clergy stipends, grants and fees	7,865,685	7,831,578	-0.4%	40.0%
2,422,380	Clergy pension contributions	2,397,051	2,390,355	-0.3%	12.2%
3,196,189	Clergy housing	3,165,776	3,132,801	-1.0%	16.0%
89,784	Clergy widows and retired clergy housing	65,300	64,300	-1.5%	0.3%
1,271,525	Training - ordination & other	1,432,725	1,483,761	3.6%	7.6%
14,581,287		14,926,537	14,902,795	-0.2%	76.1%
	<u>Direct Support for parishes</u>				
1,033,042	Church insurance premium	1,094,446	1,068,730	-2.3%	5.5%
1,033,042		1,094,446	1,068,730	-2.3%	5.5%
	<u>Parish support services</u>				
381,265	Apostolic Life	393,717	458,293	16.4%	2.3%
165,979	Common Good	206,024	221,648	7.6%	1.1%
313,390	Diocesan Board of Education	617,747	721,491	16.8%	3.7%
204,574	Safeguarding - Children protection	219,133	215,234	-1.8%	1.1%
62,877	Diocesan Advisory Committee (DAC)	52,699	63,373	20.3%	0.3%
33,332	Pastoral Committee	42,979	42,238	-1.7%	0.2%
(15,646)	Closed churches	90,000	85,000	-5.6%	0.4%
37,057	Glebe land	36,000	42,600	18.3%	0.2%
81,810	Communications	92,009	90,848	-1.3%	0.5%
178,701	Information technology (IT)	204,254	165,565	-18.9%	0.8%
687,115	General office: Finance, Governance and Administration	722,746	731,256	1.2%	3.7%
2,130,454		2,677,308	2,837,545	6.0%	14.5%
79,322	Exceptional items	33,600	13,000	-61.3%	0.1%
718,351	National Church responsibilities	732,093	752,302	2.8%	3.8%
18,542,456	TOTAL EXPENDITURE	19,463,984	19,574,373	0.6%	100.0%
700,000	FUNDED FROM PASTORAL FUND-Property	1,447,000	1,447,000		
-	FUNDED FROM PASTORAL FUND-Education	222,400	228,000		
14,338,010	PARISH CONTRIBUTION	14,572,988	14,572,783		
(130,798)	DEFICIT FOR YEAR	0	0		

INCOME

Actual 2015 £		Budget 2016 £	Budget 2017 £	% +/- on 16
INCOME (excl. Parish Contribution)				
DIVIDENDS & INTEREST				
681,670	Diocesan (and clergy) stipends fund	680,500	699,200	+2.7%
663,044	Diocesan pastoral account	727,800	748,200	+2.8%
49,920	Deposit and other interest	20,000	27,000	+35.0%
<u>1,394,634</u>		<u>1,428,300</u>	<u>1,474,400</u>	<u>+3.2%</u>
GRANTS FROM RESTRICTED FUNDS				
93,316	Diocesan welfare trust	89,400	91,800	+2.7%
87,629	Elfinward Fund	87,600	89,900	+2.6%
35,620	Training Fund	35,600	36,500	+2.5%
<u>216,565</u>		<u>212,600</u>	<u>218,200</u>	<u>+2.6%</u>
GLEBE INCOME (Gross)				
22,680	Rents from land in diocese	24,000	26,400	+10.0%
269,080	Rents from properties in diocese	236,000	284,092	+20.4%
44,400	Rents for diocesan officers' houses	44,400	44,400	+0.0%
<u>336,160</u>		<u>304,400</u>	<u>354,892</u>	<u>+16.6%</u>
HOUSING INCOME				
27,600	Other income for diocesan officers' hses	36,000	-	
330,773	Rents from parsonage houses	298,000	396,129	+32.9%
36,004	Rents from retired clergy houses	51,000	20,340	-60.1%
27,533	Rents from miscellaneous houses	25,000	34,361	+37.4%
<u>421,910</u>		<u>410,000</u>	<u>450,830</u>	<u>+10.0%</u>
FEES & LOCAL INCOME				
673,117	Parochial fees assigned	585,000	567,500	-3.0%
139,740	Parish trust income	102,788	85,000	-17.3%
<u>812,857</u>		<u>687,788</u>	<u>652,500</u>	<u>-5.1%</u>
MISCELLANEOUS GRANTS & DONATIONS				
129,000	Allchurches Trust	131,000	133,000	+1.5%
46,259	Rents from redundant churches	32,008	27,268	-14.8%
2,452	Ordination & institution collections	5,500	5,500	+0.0%
13,811	Donations & annual subscriptions	10,000	10,000	+0.0%
<u>191,522</u>		<u>178,508</u>	<u>175,768</u>	<u>-1.5%</u>
<u>3,373,648</u>	TOTAL INCOME (excl Parish Contribution)	<u>3,221,596</u>	<u>3,326,590</u>	<u>+3.3%</u>
PARISH CONTRIBUTION				
14,135,537	Current year	14,572,988	14,572,783	-0.0%
7,165	Current year - Appeal	-	-	
195,308	Previous years	-	-	
<u>14,338,010</u>		<u>14,572,988</u>	<u>14,572,783</u>	<u>-0.0%</u>
<u>17,711,658</u>	TOTAL INCOME	<u>17,794,584</u>	<u>17,899,373</u>	<u>+0.6%</u>

EXPENDITURE**THE FULL COST OF PAROCHIAL STIPENDS**

	Budget 2016 £	Budget 2017 £	% +/- on 16
Stipendiary posts			
4 Archdeacons (2016: 4)	136,200	139,600	+2.5%
7 A benefices (2016: 15)	393,450	186,340	-52.6%
29 B benefices (2016: 52)	1,344,720	760,960	-43.4%
181.0 Standard stipends (2016: 153.3)	3,909,150	4,684,280	+19.8%
49.5 Assistant curates (2015: 52.5)	1,322,480	1,238,140	-6.4%
0.5 Layworkers (2015: 1.5)	37,290	12,440	-66.6%
17.5 Light duty (half/part stip) (2015: 14.7)	374,850	452,900	+20.8%
³⁶ HFD in charge honoraria (2015: 40)	67,910	60,585	-10.8%
²¹ Rural deans allowance (2015: 21)	28,350	29,190	+3.0%
_____ Miscellaneous payments	52,060	31,370	-39.7%
288.5 Stipends gross total (2015: 293)	<u>7,666,460</u>	<u>7,595,805</u>	-0.9%
DEDUCT			
Church Commissioners annuities & grants	26,000	18,196	-30.0%
Chaplaincy fees	20,451	0	
Fees retained by clergy	16,925	3,925	-76.8%
Parishes and other agencies	750	41,780	+5470.7%
	<u>7,602,334</u>	<u>7,531,904</u>	-0.9%
DEDUCT			
29 Vacancies (2015: 27)	693,580	754,490	+8.8%
3.3 Diocesan appointments (2015: 6.3)	160,650	85,400	-46.8%
NET COST TO DIOCESE (c/fwd page 8)	<u><u>6,748,104</u></u>	<u><u>6,692,014</u></u>	-0.8%

EXPENDITURE

Actual 2015		Budget 2016	Budget 2017	% +/- on 16
£	Ministry	£	£	
CLERGY STIPENDS, GRANTS AND FEES				
Stipends				
6,575,847	Total chargeable to diocese (see page 7)	6,748,100	6,692,000	-0.8%
519,125	National insurance	539,900	535,300	-0.9%
Grants and direct support of clergy				
20,100	Suffragan bishops' housing & council tax	19,900	20,300	+2.0%
28,463	Clergy administration	36,544	36,695	+0.4%
67,034	Archdeacons' operating expenses	72,914	78,956	+8.3%
35,600	Archdeacons' housing & council tax	32,800	35,900	+9.5%
4,892	Bishops' chaplains' housing	15,900	14,300	-10.1%
44,370	Investment Manager Fees	48,127	48,127	+0.0%
53,343	First appointments	70,000	70,000	+0.0%
72,700	Removal	90,000	90,000	+0.0%
81,828	Resettlement	100,000	100,000	+0.0%
98,107	Service fees and exps for vacancies/sickness	91,500	110,000	+20.2%
<u>7,601,409</u>	Total - Clergy stipends, grants and fees	<u>7,865,685</u>	<u>7,831,578</u>	<u>-0.4%</u>
<u>2,422,380</u>	CLERGY PENSION CONTRIBUTIONS	<u>2,397,051</u>	<u>2,390,355</u>	<u>-0.3%</u>
CLERGY HOUSING				
Property				
823,140	Quinquennial repairs	941,506	1,092,864	+16.1%
421,909	Ingoing works	420,000	470,000	+11.9%
860,827	Interim repairs	677,720	540,924	-20.2%
479,433	Improvement & decoration grants	423,504	422,147	-0.3%
54,290	Insurance	61,000	64,050	+5.0%
107,955	Fees	162,000	94,800	-41.5%
13,000	Housing rental costs	24,000	11,400	-52.5%
43,106	Water rates and council tax	79,625	47,985	-39.7%
<u>2,803,660</u>		<u>2,789,355</u>	<u>2,744,170</u>	<u>-1.6%</u>
Property administration				
293,029	Staff costs	327,200	331,300	+1.3%
23,284	Office expenses	17,471	19,907	+13.9%
10,605	Travel expenses	10,500	10,500	+0.0%
65,611	Miscellaneous expenses	21,250	26,924	+26.7%
<u>392,529</u>		<u>376,421</u>	<u>388,631</u>	<u>+3.2%</u>
<u>3,196,189</u>	Total - Clergy housing	<u>3,165,776</u>	<u>3,132,801</u>	<u>-1.0%</u>

EXPENDITURE continued

Actual 2015 £		Budget 2016 £	Budget 2017 £	% +/- on 16
CLERGY WIDOWS AND RETIRED CLERGY HOUSING				
5,767	Housing costs: quinquennials	5,100	5,100	+0.0%
19,903	repairs	4,200	4,200	+0.0%
-	Grant for mortgages	1,000	1,000	+0.0%
-	Supplementary grants	2,000	2,000	+0.0%
62,242	Family support incl convalescent grants	50,000	50,000	+0.0%
1,872	Terry's Cross/insurance	3,000	2,000	-33.3%
89,784	Total - Clergy widows and retired clergy housing	65,300	64,300	-1.5%
TRAINING - ORDINATION AND OTHER				
120,463	Staff costs	167,997	171,160	+1.9%
6,145	Office expenses	10,995	12,612	+14.7%
6,433	Housing costs	11,000	6,700	-39.1%
4,160	Travel expenses	3,250	12,500	+284.6%
319	Projects & conferences	900	950	+5.6%
470	Vocation & lay min advisers' expenses	3,000	1,000	-66.7%
2,359	BAP conference fees & travel	3,000	3,000	+0.0%
4,902	SSM Deacon training	-	-	
26,321	Ordination candidates - single	18,700	21,450	+14.7%
221,108	Ordination candidates - family	241,800	213,670	-11.6%
20,725	Post ordination training	18,000	25,000	+38.9%
-	Young Vocations	5,250	3,000	-42.9%
15,708	Continuing education for clergy	31,700	30,100	-5.0%
4,777	Grants for conferences and retreats	4,000	4,000	+0.0%
-	Clergy Conference	25,000	25,000	+0.0%
192,631	Curate Housing costs	310,000	322,209	+3.9%
626,521		854,592	852,351	-0.3%
645,004	National church apportionment	578,133	631,410	+9.2%
1,271,525	Total - Training - ordination and other	1,432,725	1,483,761	+3.6%
Direct support for parishes				
1,033,042	CHURCH INSURANCE PREMIUM	1,094,446	1,068,730	-2.3%
Parish support Services				
APOSTOLIC LIFE				
Directorate				
49,024	Staff costs	42,150	43,700	+3.7%
4,072	Office costs	3,569	3,648	+2.2%
5,539	Travel expenses	3,000	2,000	-33.3%
0	Resources & equipment	1,150	700	-39.1%
7,116	Projects & conferences	5,950	7,000	+17.6%
17,128	Diocesan Strategy	-	20,000	
82,879		55,819	77,048	+38.0%
Christian Resources and Stewardship				
34,810	Staff costs	87,080	110,933	+27.4%
4,143	Office costs	6,746	5,627	-16.6%
8,497	Travel expenses	3,100	4,000	+29.0%
359	Resources & equipment	2,250	1,750	-22.2%
17,866	Projects & conferences	27,000	38,200	+41.5%
65,675		126,176	160,510	+27.2%

EXPENDITURE continued

Actual 2015 £		Budget 2016 £	Budget 2017 £	% +/- on 16
Children and Young people				
99,924	Staff costs	81,500	82,500	+1.2%
7,137	Office expenses	4,688	5,597	+19.4%
20,295	Grant to St Bartz Trust (children work)	23,000	21,495	-6.5%
2,138	Travel & home office expenses	3,000	2,500	-16.7%
1,954	Resources & equipment	10,700	1,075	-90.0%
13,294	Projects & conferences	12,400	12,700	+2.4%
<u>144,742</u>		<u>135,288</u>	<u>125,867</u>	<u>-7.0%</u>
Lay Apostolic Life				
77,262	Staff costs	59,725	47,630	-20.3%
8,729	Office expenses	2,809	3,388	+20.6%
54	Housing costs	0	6,700	
62	Travel & home office expenses	2,000	1,250	-37.5%
0	Resources & equipment	400	400	+0.0%
530	Projects & conferences	500	0	
1,332	Diocesan Readers' Board initial training	11,000	35,500	+222.7%
<u>87,969</u>		<u>76,434</u>	<u>94,868</u>	<u>+24.1%</u>
<u>381,265</u>	Total - Apostolic life	<u>393,717</u>	<u>458,293</u>	<u>+16.4%</u>
COMMON GOOD				
Social Concerns				
5,486	Staff costs	26,415	21,299	-19.4%
593	Office expenses	710	1,470	+107.0%
232	Travel expenses	1,500	3,000	+100.0%
75	Resources & equipment	400	400	+0.0%
20,800	Projects & conferences	4,100	14,100	+243.9%
<u>27,186</u>		<u>33,125</u>	<u>40,269</u>	<u>+21.6%</u>
Workplace ministry				
41,090	Staff costs	55,670	56,420	+1.3%
7,100	Housing costs	6,600	7,300	+10.6%
3,977	Travel & home office expenses	3,400	4,100	+20.6%
(1,230)	Projects & conferences	350	4,350	+1142.9%
<u>50,937</u>		<u>66,020</u>	<u>72,170</u>	<u>+9.3%</u>
Grants to other Diocesan councils & organisations				
(5,635)	Ecumenical Group incl Churches Together	-	-	
21,943	Diocesan Overseas Council (DOC)	30,115	30,365	+0.8%
1,901	European Ecumenical Cttee + conferences	4,580	4,580	+0.0%
33,647	University chaplains' stipends & housing	36,184	38,264	+5.7%
Other				
36,000	Diocesan Assn for Family Support Work	36,000	36,000	+0.0%
<u>87,856</u>		<u>106,879</u>	<u>109,209</u>	<u>+2.2%</u>
<u>165,979</u>	Total - Common Good	<u>206,024</u>	<u>221,648</u>	<u>+7.6%</u>

EXPENDITURE continued

Actual 2015 £		Budget 2016 £	Budget 2017 £	% +/- on 16
DIOCESAN BOARD OF EDUCATION				
347,107	Staff costs	509,800	559,000	+9.7%
80,183	Consultant Costs	113,400	203,000	+79.0%
25,942	Office expenses	29,747	32,481	+9.2%
16,858	Travel	15,000	20,000	+33.3%
13,093	Resources & equipment	41,300	28,900	-30.0%
5,738	Projects & conferences	70,500	70,110	-0.6%
0	Miscellaneous expenses	35,000	25,000	-28.6%
(42,000)	Less: Grant - Aided Schools Fund	(42,000)	(42,000)	+0.0%
(133,531)	Less: sales of services	(155,000)	(175,000)	+12.9%
<u>313,390</u>		<u>617,747</u>	<u>721,491</u>	<u>+16.8%</u>
SAFEGUARDING				
158,151	Staff costs	178,667	171,400	-4.1%
10,386	Office expenses	9,266	10,784	+16.4%
5,028	Travel expenses	5,000	4,000	-20.0%
1,546	Resources & equipment	1,200	1,550	+29.2%
11,758	Projects & conferences	8,000	12,000	+50.0%
17,705	Miscellaneous expenses	17,000	15,500	-8.8%
<u>204,574</u>		<u>219,133</u>	<u>215,234</u>	<u>-1.8%</u>
DIOCESAN ADVISORY COMMITTEE (DAC)				
48,853	Staff costs	35,850	46,650	+30.1%
4,328	Office expenses	4,889	4,038	-17.4%
6,531	Travel expenses	7,000	7,000	+0.0%
666	Resources & equipment	1,350	675	-50.0%
791	Projects & conferences	2,010	2,460	+22.4%
1,708	Miscellaneous expenses	1,600	2,550	+59.4%
<u>62,877</u>		<u>52,699</u>	<u>63,373</u>	<u>+20.3%</u>
PASTORAL COMMITTEE				
30,197	Staff costs	36,850	37,050	+0.5%
2,207	Office expenses	2,489	2,488	-0.0%
387	Travel expenses	1,500	500	-66.7%
309	Projects & conferences	500	500	+0.0%
232	Miscellaneous expenses	1,640	1,700	+3.7%
<u>33,332</u>		<u>42,979</u>	<u>42,238</u>	<u>-1.7%</u>
<u>(15,646)</u>		<u>90,000</u>	<u>85,000</u>	<u>-5.6%</u>
CLOSED CHURCHES				
GLEBE LAND				
5,798	Repairs, maintenance & improvements	14,000	9,600	-31.4%
1,634	Agents' fees	6,000	6,000	+0.0%
236	Rent collection expenses	6,000	6,000	+0.0%
684	Legal fees	10,000	15,000	+50.0%
28,705	Planning costs	-	6,000	
<u>37,057</u>		<u>36,000</u>	<u>42,600</u>	<u>+18.3%</u>

EXPENDITURE continued

Actual 2015 £		Budget 2016 £	Budget 2017 £	% +/- on 16
COMMUNICATIONS				
63,860	Staff costs	62,230	62,300	+0.1%
2,424	Office expenses	2,619	2,748	+4.9%
773	Travel expenses	1,000	800	-20.0%
2,062	Resources & equipment	15,360	15,150	-1.4%
24,712	Diocesan leaflet & magazine - costs	20,800	21,000	+1.0%
(12,033)	Diocesan leaflet & magazine - income	(11,000)	(12,500)	+13.6%
12	Directories & sundry (net)	1,000	-	
0	Exhibitions	-	1,000	
0	Projects & conferences	-	350	+0.0%
81,810		92,009	90,848	-1.3%
INFORMATION TECHNOLOGY (IT)				
-	Staff costs	70,350	30,100	-57.2%
-	Office expenses	1,020	4,687	+359.5%
-	Travel expenses	-	160	
176,921	Resources & equipment	116,184	128,918	+11.0%
1,780	Website development	16,700	1,700	-89.8%
178,701		204,254	165,565	-18.9%
GENERAL OFFICE: FINANCE, GOVERNANCE AND ADMINISTRATION *				
441,412	Staff costs	430,800	480,100	+11.4%
(1,158)	Postage and telephone	2,860	2,310	-19.2%
(7,797)	Printing and stationery	(15,730)	(19,600)	+24.6%
44,468	Other office expenses	47,560	44,810	-5.8%
10,050	Office equipment depreciation	22,000	10,000	-54.5%
44,195	Hire of equipment	28,847	26,000	-9.9%
3,457	Equipment maintenance	5,000	3,500	-30.0%
18,300	Building light, heat, repairs, cleaning	18,986	23,463	+23.6%
43,213	Investment Manager Fees	46,873	46,873	+0.0%
2,384	Staff travel expenses	2,250	2,500	+11.1%
925	Committee members expenses	500	500	+0.0%
4,900	Diocesan synod /Bishops Council	9,000	7,800	-13.3%
1,304	Election	-	300	+0.0%
21,055	Audit - external	19,500	20,400	+4.6%
4,620	Audit - internal	12,000	9,000	-25.0%
7,455	Bank charges	6,200	6,200	+0.0%
1,843	Legal fees - general	32,000	17,100	-46.6%
46,489	Legal - Chancellor & Registrar	54,100	50,000	-7.6%
687,115		722,746	731,256	+1.2%

* (Please note that this section also includes the costs of the Diocesan Synod, Bishop's Council, and financial sub-committees)

EXPENDITURE continued

Actual 2015 £		Budget 2016 £	Budget 2017 £	% +/- on 16
EXCEPTIONAL ITEMS				
38,530	Land registry project	-	-	
40,792	The Magnet Centre	33,600	13,000	-61.3%
<u>79,322</u>		<u>33,600</u>	<u>13,000</u>	<u>-61.3%</u>
NATIONAL CHURCH RESPONSIBILITIES				
486,945	National Church & General Synod Cost	494,548	532,528	+7.7%
33,703	Mission agencies & CPAS pensions	34,228	5,513	-83.9%
181,564	Retired clergy housing scheme	189,817	198,261	+4.4%
16,139	General Synod members' expenses	13,500	16,000	+18.5%
<u>718,351</u>		<u>732,093</u>	<u>752,302</u>	<u>+2.8%</u>
<u>18,542,456</u>	TOTAL EXPENDITURE	<u>19,463,984</u>	<u>19,574,373</u>	<u>+0.6%</u>

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE
NOTES TO DRAFT BUDGET 2017

For 2017, diocesan income (excluding parish contribution) is set to increase by £105k (3.3%) compared to the 2016 budget, and expenditure is budgeted to increase by £110k (0.6%).

The 2016 figure for parish contribution (£14,572,988) represented a 2.1% increase on the level of pledges made by deaneries in 2015. The majority of parishes responded to this request with great generosity, with many increasing their pledge by substantially more than 2.1%. Some however were not able to maintain their 2015 pledges, and the actual pledges made by deaneries for 2016 totalled £14,393,371. It is proposed that an increase of £179,412 on this figure is requested and budgeted for. This would imply parish contribution pledges of £14,572,783. As with the request for 2016, this would lead to a balanced budget, a situation that the Diocese has not had for many years. But as with 2016, if parishes are not able to meet this request, or their pledges, it would push the budget back into deficit.

Major changes between the 2016 and 2017 budgets are as follows:

1. *Income – Dividends, Interest and Grants from restricted funds*

Dividend rates at this stage look fairly stable for next year. We are also looking later this year to identify a new investment manager and to add marginally to our portfolio generating an additional £52,000 of dividend income for 2017.

2. *Income – Glebe & Housing*

Increased efforts to rent out empty properties during vacancies are continuing to bear fruit, and rental income is keeping pace with the increased budget for 2016. We are budgeting for a further increase in 2017, but this is likely to be the last significant increase it is possible to achieve as the portfolio is now tightly managed.

3. *Income – Fees & local income*

Income from parochial fees is budgeted to decrease by £18k, based on the average income over the last 8 years. Parish trust income is also budgeted to decrease by £18k, following exceptional years in 2014 and 2015 with catch-up income from 2012 and 2013.

4. *Expenditure – Clergy stipends etc.*

Expenditure on Clergy stipends, grants and fees is budgeted to decrease by £34k (0.4%). The parish clergy staffing figures show an overall decrease of 4.5 stipendiary posts and a proposed increase of 1.5% in the stipend rate (which would see the standard stipend increase from £25,590 to £25,970). The 2017 budget assumes an average clergy vacancy rate of 29, an increase of two over 2016, based on the higher level of vacancies actually experienced, and an increase of nearly £20,000 in expenses for covering vacancies.

5. *Expenditure – Clergy pension contributions*

The decrease reflects the 1.5% increase in the national minimum stipend upon which the premium is based and the decrease in number of posts. The current premium rate is unchanged at 39.90% of the national minimum stipend. The next valuation of the clergy pension scheme was 31st December 2015, but the Pensions Board has not yet announced its decision on whether the rate will change. If it does, a new schedule of contributions will come into force on 1 January 2018.

6. *Expenditure – Clergy and lay workers housing*

A review of the diocesan housing stock has shown that a significant programme of investment is required to ensure the estate is fit for purpose. Proper maintenance of housing is important for the health and welfare of the clergy whom we accommodate, to attract new incumbents and to preserve and enhance the value of our property assets. The budget increased significantly in 2015 and 2016, and has been kept at the 2016 level for 2017. The additional expenditure continues to be funded from the diocesan Pastoral Fund so as not to have an effect on parish ministry costs.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE
NOTES TO DRAFT BUDGET 2017 (continued)

The reduced figure in the budget relates to reallocation of council tax and water rates for senior clergy and diocesan offices to direct support of clergy and parish support services. New accounting regulations in effect from 1st January 2015 mean that all properties will be subject to a rolling 5 year revaluation program and the uplift in property values has been reflected on the diocesan balance sheet.

7. *Expenditure – Training – ordination & other*

National Church apportionment, which covers training fees and support costs for ordinands together with the national church's investment in training for ministry, such as increased investment in encouraging vocations, has increased by £53k. The overall budget for this area has increased by £51k (3.6%).

8. *Expenditure – Church insurance premium*

The budgeted figure of £1.069m shows a 2.3% decrease against the 2016 Budget. The 2017 Budget figure is based on the actual renewal figure for 2016 with a 2% increase to reflect likely increased premiums. The decrease reflects a better than expected deal negotiated for 2016 in December 2015. The final premium for 2017 will not be agreed by EIG until December 2016.

9. *Expenditure – Parish support services*

The overall increase in parish support service costs is £160k (6%). This reflects investment in the diocesan strategy: there is a budgeted increase of £65k in the Department for Apostolic Life and £104k for the Diocesan Board of Education, which represents our biggest single opportunity to engage with young people in the Diocese. Modest increases and decreases in other areas result in a small overall reduction in expenditure excluding those two areas of investment.

- Apostolic Life – The budgeted increase of £65k represents investment in four major areas:
 - I. A £20,000 allowance for delivering events and resources for the Year of the Bible in 2017.
 - II. Increased investment in lay ministry, with a new officer to be recruited to look creatively at future possibilities as well as continuing reader training.
 - III. Recruitment of a part-time legacy officer to help parishes benefit from this important source of income for the future.
 - IV. A leadership development programme to help develop the charism, character and competency of leaders in parishes.
- Diocesan Board of Education – The budgeted increase of £104k is to ensure that this department is adequately resourced to meet the changing legislative and operational requirements of schools and the department. The bulk of this is to be spent on increased consultancy work in the form of development improvement partners, allowing significantly more face to face contact with schools. Following the approval of the Diocesan Synod motion in May 2015 to fund increased expenditure on education from the Pastoral account it is budgeted to drawdown £228k from the Pastoral account.
This excludes the costs (and associated income) of the Diocese of Chichester Academy Trust as that organisation is a separate legal entity and registered Charity.
- Common Good – Investment is also being made in the third strand of the Diocesan Strategy, to serve the common good, with funding for a joint venture with the Church Urban Fund to address poverty, for a rural chaplain shared with the Diocese of Canterbury.
- Information Technology (IT) – IT expenditure is budgeted to reduce by £37k (18.9%), reflecting the decision not to recruit a project manager for work on the diocesan website, database and IT architecture. Instead an Executive Assistant was recruited to oversee all three areas of work and more, with the costs falling into General Office and absorbed for the most part by other cost savings in this area and a refined system of distributing costs which benefit other departments. Work on the database and website is well advanced and the results should be seen early in 2017; further negotiation on the IT architecture will be needed during 2017.

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE
NOTES TO DRAFT BUDGET 2017 (continued)

- An increase in the overall staff salary budget of 1.5% has been budgeted. This will be focused on staff members who are deemed to be underpaid compared to their peers, internally and externally, following an independently led project to benchmark staff salaries in 2015, rather than awarded across the board.

10. Exceptional items

There is one item included here as being exceptional:

- Financial support for the Magnet Centre in St Leonard's-on-Sea. This has been reduced following the relocation of the theological library to St Augustine's College of Theology at Malling. It is expected that all costs on this project will be recouped in the future.

11. Items funded from restricted funds

As mentioned above, part of the budgeted expenditure on property (£1.447m) and education (£228k) will be funded from the Pastoral Fund. This Fund has been built up over the years from the sales of redundant churches and parsonages. Capital expenditure on property and education is compensated for by ongoing sales and the buoyant property market in the South East has therefore underpinned the continued health of the Fund.

In addition, it is anticipated that a grant of approximately £110k will be made during 2017 to the Multi-Academy Trust from the Pastoral Fund along with the £100k which Diocesan Synod resolved in November 2015 to grant to the Archbishops' Council's Renewal and Reform Programme.

Other items of expenditure which do not form part of the general fund budget are capital works to five parsonages (including two full rebuilds) which should result in increases in the value of our assets of at least the sum spent, and two planned new posts which will be funded from restricted funds: a pastoral care co-ordinator funded from the clergy welfare fund and a gap year leader trainer funded from the Encounter fund.

SUPPORT FOR PARISHES AND CHURCH HOUSE STAFF

HEADCOUNT

2016					2017					
Clergy and layworkers			Lay	Total		Clergy and layworkers			Lay	Total
Stipend	Salary = stipend	Salary				Stipend	Salary = stipend	Salary		
0.5	1.0	0.5	2.5	4.50	APOSTOLIC LIFE	0.5	1.5	0.5	2.5	5.00
		0.5	0.5	1.00	Training - Ordination and Other			0.5	0.5	1.00
1			0.8	1.80	Directorate			1.25	1.2	2.45
		0.6	1.5	2.10	Christian resources & Stewardship			0.6	1.5	2.10
			1.5	1.50	Children and young people				1.5	1.50
					Lay Apostolic Life					
1.5		0.5		0.50	COMMON GOOD		0.2	0.25		0.45
				1.50	Common Good	1.5				1.50
0.5				0.50	Workplace chaplains	0.5				0.50
0.8				0.80	Diocesan Overseas Officer	0.8				0.80
					University chaplains					
			6.7	6.70	PROPERTY & GLEBE ADMINISTRATION				7.0	7.00
			9.4	9.40	DIOCESAN BOARD OF EDUCATION				9.55	9.55
			3.1	3.10	SAFEGUARDING				2.7	2.70
			2.0	2.00	DAC/PASTORAL/CLOSED CHURCHES				2.4	2.40
			1.0	1.00	ADMINISTRATION				1.0	1.00
			2.0	2.00	Communications				3.0	3.00
			2.0	2.00	General office				1.0	1.00
			3.65	3.65	Information Technology				3.70	3.70
			3.9	3.90	Central services				4.0	4.00
			0.4	0.40	Finance				0.4	0.40
				0.00	Clergy Administration					0.00
					HR					
			2.4	2.40	ARCHDEACONS SUPPORT				2.25	2.25
4.3	1.0	2.1	43.35	50.75		3.3	1.7	3.1	44.20	52.30

Percentages are shown in terms of full-time equivalent

Many Diocesan Stipend posts are combined with Parish Appointments

Help for local churches:

Our Diocesan Strategy expresses the hope that, by 2020, every Benefice will be financially self-supporting, through a combination of encouraging generosity, grouping into financially sustainable units and, in areas of deprivation, the provision of direct grant help from historic resources.

The ***Parish Giving Scheme*** (now a national charity) has proved extremely useful for handling local church income from regular givers. The latest information about the scheme is always to be found at www.chichester.anglican.org/pgs

Other online resources:

www.chichester.anglican.org/strategy

- The ‘home page’ for our Diocesan Strategy

www.chichester.anglican.org/money

- a good starting point for money matters

www.parishresources.org.uk

- an excellent website setting out all aspects of stewardship in the local church

www.churchlegacy.org.uk

- a web site with information about gifts in wills, or legacies

Please contact Church House if you would like supplies of materials to support any of the above. Just call 01273 421021 and ask for the Strategy adviser.