

*To: all licensed clergy, churchwardens, PCC secretaries and PCC Treasurers, Deanery Lay Chair and Deanery Secretary*

Dear Brothers and Sisters in Christ,

Alleluia! Christ is risen.

One of the high points of the week is on Thursday when we can applaud the work of the NHS, of the volunteers who support our heroic doctors and nurses, and of care worker and key workers in many areas of life.

In this letter I also want to applaud your work as a parish that is part of the network of prayer and Christian witness across this diocese. That prayer is what sustains multiple examples of Christian service, in our schools and local communities. I also want to applaud the financial generosity that contributes to sustaining our household of faith.

However, we know that the impact on the economy and on our income has yet to be fully seen.

In order to plan how we sustain our mission financially, I am grateful to you for taking the time to read this important communication. The generosity of our response will be an indication of our commitment to know, love, and follow Jesus, who will be with us and sustain us in this time of trial.

He is risen indeed. Alleluia!

+Martin

So much has changed that it is hard to credit that it is little more than a month since lockdown began. Our daily lives have changed immeasurably, and we have faced both new opportunities and new challenges.

One of those challenges is financial, and I want to say a heartfelt thank you to you for your magnificent efforts on parish share in the face of the impact of the virus and our response to it. Despite the reduction in income that this will have caused to most, if not all parishes, and the concerns about the future which this generates, the collection rate in January to March was 24.2%. Far from being a significant decrease as might have been expected, this was an increase of 0.3% on 2019's collection rate of 23.9%. At the time of writing, confirmed cancellations or reductions in direct debits from the hardest-hit parishes amount to only 4% of the sums pledged to be paid by direct debit, and direct debits account for over two-thirds of parish share. We are immensely grateful to so many of you for maintaining payments, a shining example of the household of faith we share in together.

We do of course hope that as many of you as possible will continue to maintain payments for as long as you can. But we do of course recognise that this limited reduction in payments will increase and that the risks will increase the longer lockdown goes on. We are therefore

planning ahead, as you are no doubt doing in your parishes and your families and trying to assess the potential scale of the impact, and how we can mitigate the consequences.

We are doing what we can at Church House Hove: over a quarter of our staff have been furloughed, and planned recruitments have been deferred; there will be savings on the quinquennial programme of repairs to parsonages which has been postponed to next year; there will be a reduction in travel costs, and the costs of putting on events, and so on. But the majority of diocesan expenditure is on clergy, and there are no savings there; indeed as clergy are unable to move house, some departures have been deferred, and this increases costs as they outnumber clergy who were to be coming into the diocese and have been unable to.

We are fortunate that as at the end of 2019, we had £3.1m in unrestricted funds held in cash or on deposit, exactly on our reserves policy target of 2 months' expenditure. In addition, we had over £2m in restricted cash or deposits following some property sales at the end of the year, which will help to smooth cash flow issues where, for example, the stipends bill must be paid before parish share has come in. This will of course not go far if parish share drops dramatically. As you will no doubt recall, we set a deficit budget of £1.7m this year in any event and although the savings we are forecasting, tempered by the reductions in investment and rental income, would reduce the projected deficit to £1.16m, those savings are likely to be dwarfed by reductions in parish share.

We also have strength together: as at the end of 2018, the most recent year for which parish finance statistics are available, the parishes of the Diocese of Chichester together had nearly £16m in unrestricted funds held in cash or on deposit and only 26 out of 231 parishes/benefices who reported had less than 2 months' reserves in cash or deposits. Together we have considerable resilience to survive what some have called not merely a rainy day but a monsoon. For the future, there are also considerable sums invested in equities and even some investment properties both within the DBF and across parishes, although it may potentially be both difficult and unwise to seek to realise those in the current economic climate unless absolutely necessary.

The resilience that these reserves provide will enable many parishes to continue to pay their pledge in full, and some may even be able to increase it to help support others in the household. But it is important that we develop our contingency and future planning, and as part of that, we need to understand your parish situation and planning. The more we can understand about how parishes see their financial futures, and in particular the impact on parish share payments, the more robust our scenario planning can be.

And of course, this does not only affect the Diocese of Chichester. Individuals, parishes, dioceses, and the national church institutions all play different parts in the financing of the Church of England, and all four must work together to weather this storm. In the same way, as we are keen to understand the projected impact on parishes across the diocese, the national church institutions are keen to understand the projected impact on dioceses across the country as they assess where best to target the support they can offer. It is already clear that the Diocese of Chichester is in a much more secure position than many other dioceses and if at all possible we will avoid drawing on resources needed more desperately by our brothers and sisters in other dioceses, but it is important for us to understand if that aspiration is realistic.

Please could I therefore ask you to discuss among the members of your standing committees and parish leadership teams how you think your various categories of income and expenditure in 2020 might be affected in various scenarios:

- If lockdown is relaxed at the end of June but continued for the more vulnerable until Christmas
- If lockdown is relaxed at the end of September but continued for the more vulnerable until Christmas
- If some form of lockdown continues until Christmas.

Could you then let us know whether you anticipate having to adjust your parish share payments in each scenario and if so, by how much? We will circulate a Survey Monkey after the Bank Holiday as an easy way for you to submit responses, but if you would rather respond by email, please feel free to send them to [adminhelpdesk@chichester.anglican.org](mailto:adminhelpdesk@chichester.anglican.org) who will enter them into the Survey Monkey on your behalf.

We fully understand that to a large extent, your projections will be little more than guesswork, as indeed are the scenarios we are asking you to consider: but you are on the ground, and your guesses will be a lot more educated than ours!

Finally, some of you may be concerned at the impact of arrears of parish share being carried forward following an inability to pay your pledge in full in 2020 because of the unprecedented situation in which we find ourselves. As the consequences of the crisis become clearer we will look at and make a decision about how arrears are dealt with later in the year.

Gabrielle Higgins

Diocesan Secretary