

Salisbury Diocesan Board of Finance 2024 Annual Report and Accounts in Summary



Introduction

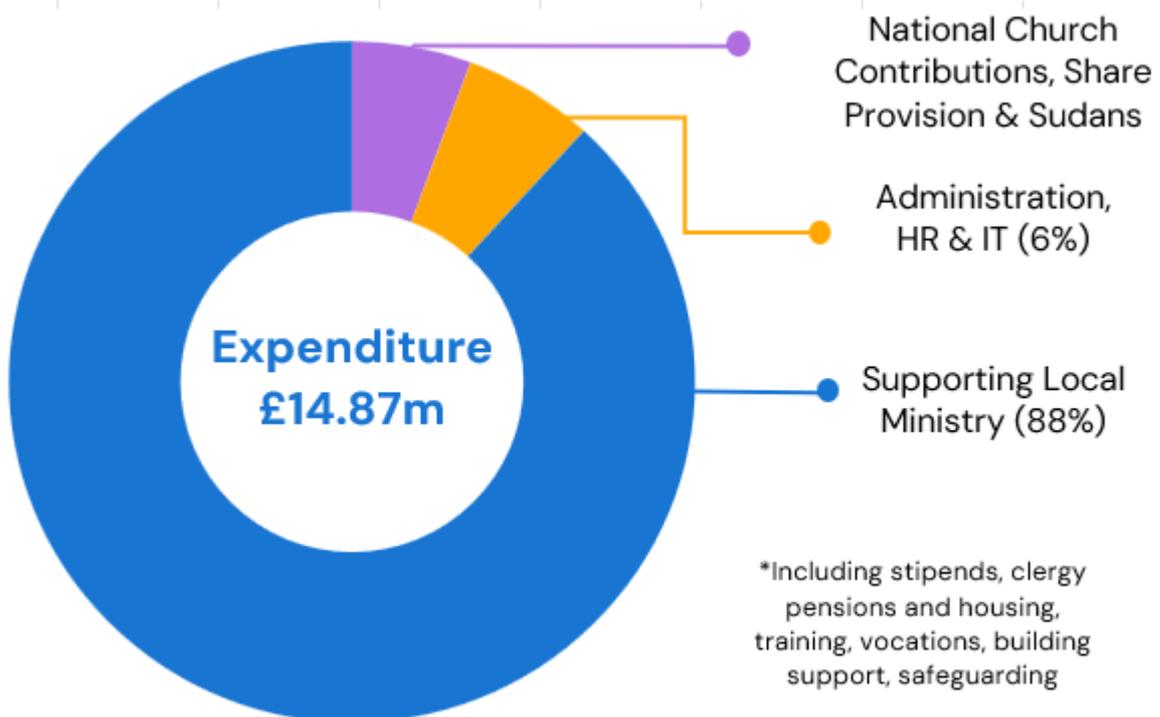
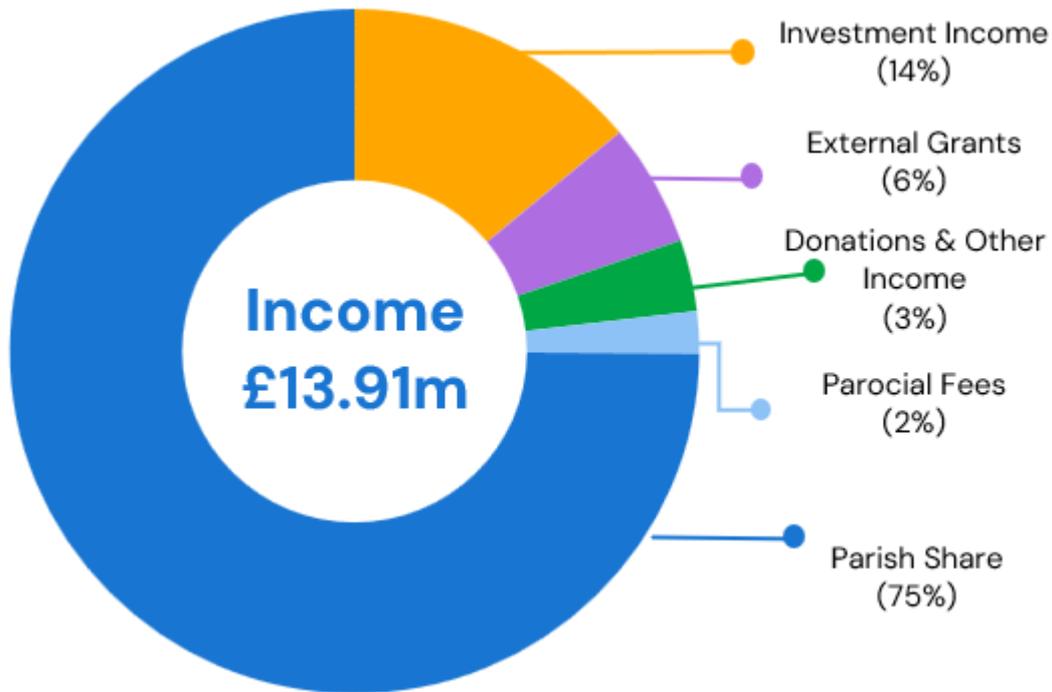
88p in every £1 supports local ministry

The Diocesan Board of Finance (DBF) promotes and support the life of the Church and the advancement of Christ's Kingdom through the provision and support of local ministry across our hundreds of parishes in the diocese.

During 2024 our diocesan vision to 'Make Jesus known', that all may flourish and grow, seeking his kingdom, here and now' was at the heart of the work of the DBF. Staff focused on working with clergy and volunteers to find new ways to bring the vision to life in each of the five paths, from forming a new justice network for people passionate about seeking justice, working with treasurers to develop the new parish share system, supporting the launch of a new church plant, working with the army to develop vocations, placing children and young people's voice at the heart of all we do, and supporting parishes to work towards net zero. Much is happening and God's grace is evident in all things! [Read our Impact report.](#)

We continue to make progress towards our strategic objective to finance the future sustainably. The DBF ended 2024 with an operational deficit (expenditure being greater than income received) of £0.96m; this was smaller than we have experienced in recent years and was offset by the profit on sales of clergy houses and investment returns. Encouragingly, we received more parish share in 2024 than we did in the previous year, reversing the trend we have seen for some time, and we deeply appreciate the sacrificial effort of many individuals and communities as a sign of your commitment to ensuring all may flourish and grow in this diocese. We are working with PCC treasurers, clergy and other parish officers to embed the new parish share scheme which aims to be simpler and more transparent as we seek to fund the cost of being church in this diocese. We continuously monitor the cost of DBF services and have sought feedback from parishes to ensure that the services offered are configured in the way that is most useful to office holders and church communities. DBF overheads (not directly related to ministry provision) continue to be significantly lower at 6%, compared to the UK charity sector average of between 12–30%.

2024 Income and Expenditure performance



£'000	% Prior Year	Comments
Income		
£13.9m	+2%**	<p>An encouraging increase in parish share donations (+4%), investment income and income from letting vacant clergy houses.</p> <p>Fee income received for weddings and funerals have reduced as half of this income is now included in the new parish share scheme and directly reduces the share request for those relevant parishes.</p> <p>The wholly owned subsidiary SDBF BC Ltd has ceased operating and because of the winding down of new business, income reduced to £0.07m in 2024, compared to £0.12m in 2023.</p> <p>**In 2023 the DBF received a generous donation of £1m from the Community of St Deny's, Warminster and this distorts the 2023 income, i.e. reported as £14.6m, without the £1m donation it was £13.6m.</p>
Expenditure		
£14.9m	0%	<p>Direct ministry costs were almost the same at £9.20m compared to £9.25m in 2023. It remains very challenging to recruit clergy, particularly in the north (Ramsbury area) of the diocese and this means that direct ministry costs (stipends, pension and national insurance) are much lower than anticipated. This is consistent with the national picture with a noticeable drop in vocations and those being ordained for ministry, exaggerated by the 'bulge' of clergy coming up to retirement. We have also changed the way we recognise 3 chaplaincy roles (Gypsy Roma and Traveller Community, Bournemouth University and Deaf and Hard of Hearing) which has previously been included here, but is now part of the Ministry support cost (see below).</p> <p>Due to the higher clergy vacancy rates, more clergy houses are being let. This has increased agency and other expenses on letting these properties including maintenance and improvements; this is more than covered by higher rental income which reduces the parish share requests.</p> <p>Ministry support and support to parishes increased by £0.5m (18%) from £2.8m (2023) to £3.3m (2024). Increasingly, the DBF is securing grants from National Church and external bodies to support strategic priorities including funding of curates, sustaining church buildings, advancing Net Zero projects and covering employment related costs of £0.2m (2024). Most of the remaining £0.3m increase is due to including 3 chaplaincy roles which was previously included under direct cost of ministry (as mentioned above). These chaplaincy roles are also externally funded.</p> <p>Central Costs and IT Investments have reduced by £0.3m (27%) from £1.2m (2023) to £0.8m (2024). This is due to a temporary staff pension holiday and starting to see the benefit of moving the office from Church House (listed building) with high running costs to co-locating with The Board of Education and Academy Trust at Emmaus House, a modern office with lower running costs.</p> <p>Other non-parish costs have reduced by £0.1m (15%) from £0.8m (2023) to £0.7m (2024). The DBF repaid the Covid loan in full at the end of 2023 and this has saved a considerable amount of interest payments.</p>

Our financial reserves (Balance Sheet)

As a charity, the DBF reserves are the resources we hold (this could be cash, investments, fixed assets) that support the activities of the DBF and diocese. It is our 'safety net', that provides financial stability and flexibility and enables us to respond to the unforeseen and difficult times as well as take advantage of new opportunities. Simply put, it is our cushion against the ups-and-downs of income and expenditure fluctuations.

The DBF is blessed with substantial reserves and at the end of 2024 our total reserves were £131.3m, an increase of £0.7m compared to 2023 at £130.6m. **This seems counterintuitive, as for over two decades we have almost every year reported an operating deficit – meaning we are losing money each year – however, our total reserves continue to increase?**

The main reason for this is that most of our reserves are clergy houses (c. 216). These properties are shown in the balance sheet 'at deemed cost' – this is the price we paid for each property when we bought it. ¹According to reports by [Savills](#) and [UWE Bristol](#), since the beginning of the millennium, the average house price in the Southwest has increased by roughly 200–300%.

Therefore, the profit we make from selling clergy houses far exceeds the cumulative losses we have been reporting. The unsustainable downside of this longstanding approach is that we have sold around 60 houses during the last 25 years, and not only will we run out of houses to sell, but more importantly, we require around 175 houses for our clergy and curates to support their ministry, not only serving as a home but also to better perform their duties of their office. Selling houses also reduces our opportunity to receive rental income from these properties when they are vacant and therefore it effects both our balance sheet and it reduces our sources of income which means we become more and more reliant on parish share.

A further aspect to consider is that 83% of our reserves are not easily accessible as either the donor has specified how the fund should be used and or there are legal restrictions. Endowment funds have lots of restrictions as these are kept in perpetuity and usually only the income generated can be used and not the capital. **We are therefore running out of easily accessible reserves.**

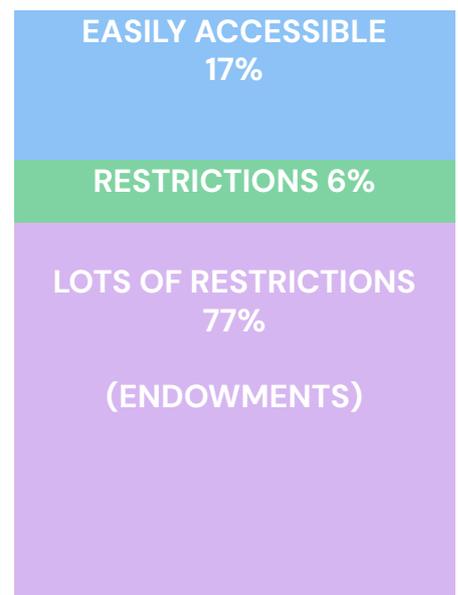
¹Due to a change in accounting standards in 2012, any properties bought before this date was re-valued on 31 December 2012 and restated in the balance sheet accordingly. Properties bought from 2013 onwards are shown in the balance sheet at purchase price.

Our total reserves of £131.3m are made up of:

- £6m (5%) in cash
- £21m (15%) invested with fund managers
- £14m (11%) in glebe which is mainly 122 agricultural holdings with very low rental returns but has been increasing in land value. Glebe is revalued every 3 years
- £90m (69%) in clergy houses

We are therefore running out of easily accessible reserves.

Balance Sheet- how easy these reserve these can be used.



In Summary:

- 88p in every £1 supports local ministry; 75p in every £1 of income is from parish share
- Reported operational deficit, however, this was smaller than we have experienced in recent years.
- The provision of local ministry through creative partnerships in mission is central to Making Jesus Known to the 1.2 million people living across our diocese, including the Channel Islands. Salisbury diocese has the third highest number of clergy per 10k of population in England.
- The DBF have substantial reserves, however we cannot sustain the ongoing sale of clergy houses.
- We are running out of easily accessible reserves as most have restricted use and or cannot be sold.