



BUDGET GUIDE 2016

Supporting the Mission and Ministry of the Diocese of Salisbury

Renewing **HOPE**
Pray • Serve • Grow

This budget was approved by Diocesan Synod on 17 June 2015

The increase in the Diocesan budget for share is 0%

God our Father, renew our hope.

*By the Holy Spirit's power, strengthen us to pray readily, serve joyfully
and grow abundantly, rejoicing in Jesus Christ our Lord. Amen*

THE KEY POINTS

The increase in Diocesan budget for share is 0%

Increased spending to meet Bishop Nicholas' vision for Renewing Hope: Pray, Serve Grow

90% of expenditure directly supports our parishes and ministers, **only 4% spent on Diocesan Administration**. This underlines the importance of every parish paying in full

We send nearly £1m a year to the National church, which includes training for future ministers, clergy retirement housing and mission

Mission and ministry programmes are fully funded

The Diocesan Board of Finance (DBF) raises as much income as it can from other sources to reduce the call on Share. For 2016, **this income is expected to increase by £135,000**.

THANK YOU

My thanks go to so many people in our parishes for producing such an outstanding 2014 Share payment performance. The goal of a net 99% payment of Share was reached for the first time, with a final figure of 99.2%. This is simply magnificent.

As well as achieving the 99% target, more parishes paid Share in full than ever before and 7 deaneries achieved 100% Share payment (in 2013 there was 1); if 7 deaneries can, then why not every deanery? We began 2015 with a further record: 26.5% of 2015 Share paid in January.

The Bank of England expects inflation to be zero or very close to it for most of 2015, rising to the 2% target by the middle of 2017. This is good news for everyone, but it does present some challenges in writing a Budget.

During his visits to deaneries, Bishop Nicholas set out his strategy for Renewing Hope: Pray, Serve, Grow that calls for some additional spending, for example to increase vocations significantly.

Costs for stipends and lay staff salaries, pensions, mission and also the initial costs in support of Bishop Nicholas' new strategy has meant that 2016 spending increased by about twice the level at which we entered 2015. Further National church costs have increased also to 10.2% of the Share Budget. These increases are offset by income from additional investments.

The 2016 Budget increase is zero - 0% - the lowest ever. Nevertheless supporting vocations growth and other elements of the new strategy will mean that budget increases beyond 2016 are likely to be higher than inflation for some years. Nonetheless all future expenditure will be controlled tightly; as in the past.

I could not even contemplate proposing such a low increase, if Share payment was not as outstanding as it has been recently. Consequently while thanking parishes for their generosity and wonderful response, my message is that this performance is needed every year.

Together we are working hard towards maintaining the lowest Share levels in the CofE. Thank you for your help and also for such a magnificent response.

Gil Williams, DBF Chairman

RENEWING HOPE: PRAY-SERVE-GROW

When Bishop Nicholas arrived in 2011, he started a careful process of discernment and consultation. Through 'Let us Talk' and through Deanery Visits, he invited us to explore who we are as a Diocese, where we are going and how God wants us to move forward. Renewing Hope is the result.

Hope is the defining characteristic of Christian believers. To be a Christian without hope is a contradiction in terms. Hope relates to the now and the 'not yet'. It holds together our past, our present and our future and gives meaning and purpose to our lives. We are called to renew our hope and seek to renew the hope of others.

Our Diocese

As a Diocese we want a thriving Christian presence in every community: our parishes are central to that. In many places the inherited forms of Church, adapted and developed for the present, still serve us well. In others, new forms of church have helped us engage and grow. We relish this diversity and believe that in Christ we live and work together.

During the Deanery visits Bishop Nicholas asked us to explore 'Renewing Hope' through three priorities: **Pray, Serve, Grow**. If our focus is on prayer and serving others we believe we will flourish and thereby renew hope.

He asked deaneries and parishes to share their stories and to develop their own priorities and plans by answering three questions:

- What do you pray for?
- Whom do you serve?
- How will you grow?

DIOCESAN PRIORITIES 2015 – 2020

Bishop's Council, The Board of Education and the Learning for Discipleship and Ministry Council have looked in detail at various strategies to respond to these questions by focusing directly on how parishes, schools and deaneries might be supported to achieve their plans:

Pray: What do we pray for? That worship and prayer will be at the heart of each Christian and Christian community in our diocese.

- Make prayer central whenever we meet
- Create more opportunities to pray together
- Provide resources to help parishes and individuals develop their prayer lives

Serve: Whom do you serve? We serve our parishes and will work to help them make Christ known to their communities through loving service.

- Continue the support and resources for promoting social justice
- Increase the training and support for rural ministry
- Increase our training and support for our head teachers and parish leaders who work with children and young people

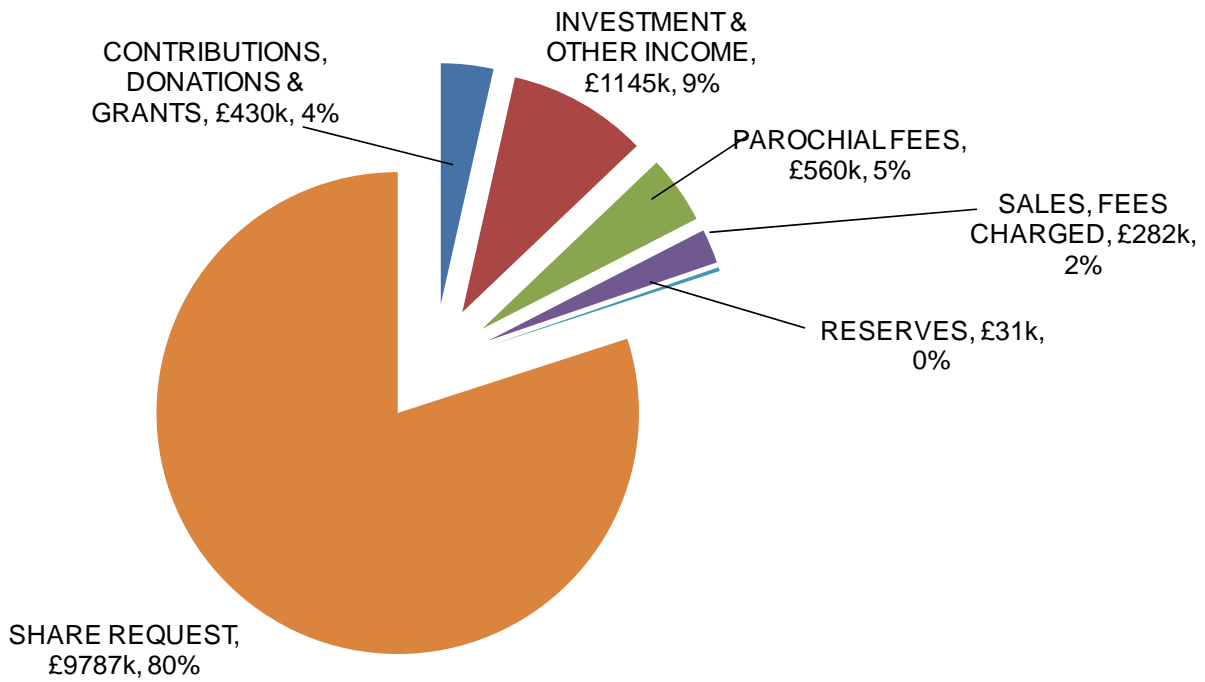
Grow: How will you grow? Through supporting parishes and schools to grow in numbers and in depth.

- Increase the training and support for nurturing disciples
- Increase vocations to ordained and authorised lay ministry by 60% each year
- Provide direct support to help parishes grow
- Provide funding and support for new forms of church and worship
- Aim to grow church membership by 10% over the next 10 years.

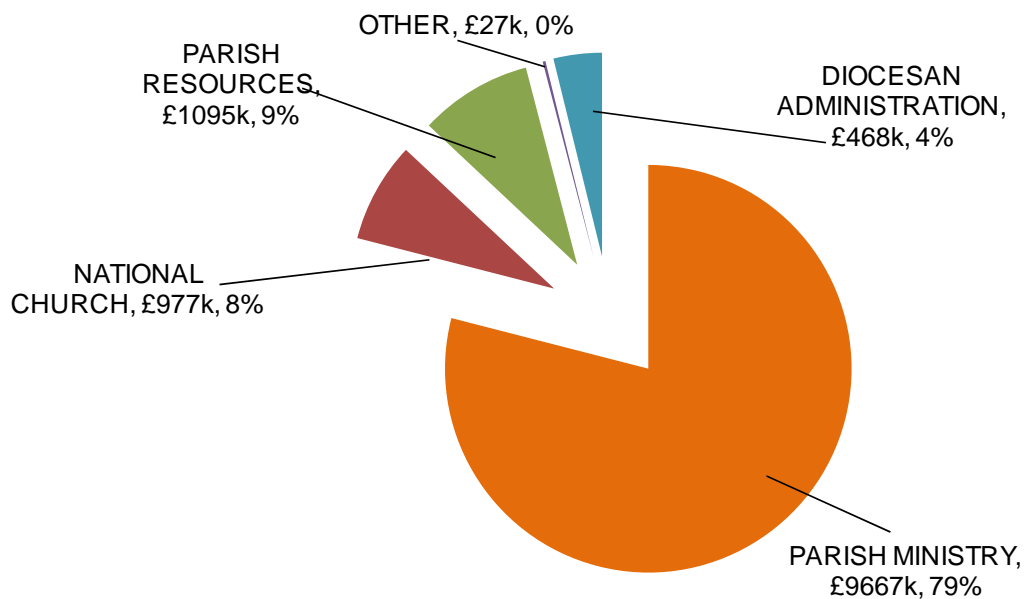
Other projects that are planned for 2015/2016 include:

- Expand the **Energising Local Ministry project** and the **20 Group**
 - Develop and deliver new **Safeguarding** training and resources for **Legacies or Gifts through Wills**
 - Roll out the new **Lay Worship Leaders** training resources
- Pilot and launch a revised form of **Ministerial Development Review**

TOTAL INCOME: £12.23m WHERE DOES IT COME FROM?



TOTAL EXPENDITURE: £12.23m WHERE IS IT SPENT?



	DRAFT BUDGET 2016				BUDGET 2015			
	EXPENDITURE	INCOME	RESERVES	NET	EXPENDITURE	INCOME	RESERVES	NET
	£000	£000	£000	£000	£000	£000	£000	£000
PARISH MINISTRY								
Clergy stipends	4,815	1,530	-	3,285	4,739	1,353	4	3,382
Employer's National Insurance	367	-	-	367	362	-	-	362
Pension contributions	1,745	-	-	1,745	1,723	-	-	1,723
Clergy removal expenses	55	-	-	55	49	-	-	49
Resettlement grants	59	-	-	59	59	-	-	59
First appointment grants	38	-	-	38	34	-	-	34
Other stipends expenditure	239	-	-	239	220	-	-	220
Clergy House repairs	655	10	-	645	650	10	-	640
Council tax, water rates & insurance	652	-	-	652	649	-	-	649
Property office	388	-	-	388	385	-	-	385
Surveyor fee income	15	260	-	(245)	12	260	-	(248)
Rents received on let houses	-	170	-	(170)	-	170	-	(170)
Vocations and selection	73	0	16	57	63	1	-	62
Learning for Discipleship	101	11	6	83	88	11	-	77
Ministry training and support	290	52	9	229	263	31	-	232
for the Ordinands' Support Fund	105	-	-	105	105	-	-	105
for the Clergy Conference Fund	22	-	-	22	15	-	-	15
Ministry administration	48	-	-	48	25	-	-	25
	9,667	2,033	31	7,603	9,440	1,836	4	7,600
NATIONAL CHURCH								
Archbishops' Council apportionment for National Church responsibilities	509	-	-	509	505	-	-	505
National training for ministry	447	-	-	447	435	-	-	435
General Synod: members expenses	13	-	-	13	14	-	-	14
Diocesan Synod expenses	8	-	-	8	8	-	-	8
	977	-	-	977	961	-	-	961
PARISH AND SCHOOLS RESOURCES								
The Ramsbury Office	71	32	-	39	74	31	-	43
The Sherborne Office	75	34	-	42	88	30	-	59
Diocesan resources & projects	116	5	-	111	111	7	-	104
Mission Initiatives	106	-	-	106	97	-	6	91
Board of Education								
Schools, RE and admin	191	-	-	191	528	337	-	191
School buildings	-	-	-	-	107	107	-	-
Children and Young People	91	-	-	91	102	12	-	90
Diocesan Advisory Committee for the Care of Churches, Pastoral Committee, Closed Churches								
Committee, Patronage & Trusts	157	-	-	157	155	-	-	155
Church quinquennial inspection fees	64	-	-	64	66	-	-	66
"Safeguarding people"	62	-	-	62	60	-	-	60
Diocesan Registrar	77	2	-	75	66	2	-	63
Communications	86	6	-	80	84	6	-	78
	1,096	79	-	1,017	1,539	532	6	1,001
OTHER								
Cathedral costs for diocesan services	4	-	-	4	4	-	-	4
for Share adjustments	15	-	-	15	15	-	-	15
General income	8	305	-	(296)	8	286	-	(277)
	27	305	-	(278)	27	286	-	(259)
DIOCESAN ADMINISTRATION								
Salary costs (inc NI & pensions)	343	-	-	343	337	-	-	337
Office services & expenses	51	-	-	51	48	-	-	48
Premises costs	28	-	-	28	52	-	-	52
Depreciation on equipment	29	-	-	29	29	-	-	29
Legal and audit fees	17	-	-	17	17	-	-	17
	469	-	-	469	484	-	-	484
TOTAL EXPENDITURE	12,235				12,451			
TOTAL INCOME		2,417				2,654		
TOTAL USE OF RESERVES			31				10	
NET EXPENDITURE/SHARE REQUEST				9,787				9,787
Change '15 - '16				0.00%				0.68%

THE BUDGET IN MORE DETAIL

The Directors of the DBF remain committed to controlling spending as tightly as possible, whilst ensuring that all Diocesan mission and ministry activities have the resources they need. The Directors continue to look for alternative revenue or further cost savings.

Share increases in previous years have been 0.68% in 2015, 0.91% in 2014, 1.49% in 2013, 0.69% in 2012, 1.46% in 2011, 1.79% in 2010, 2% in 2009 and 0.99% in 2008.

Costs are shared across the diocese using the fairer share system so we can ensure that every parish has adequate ministry support and small rural communities can continue to thrive.

These notes describe the main areas of income and expenditure in the budget proposals.

PARISH MINISTRY: £9.667m

The first and largest of the five headings includes all those items necessary for placing and supporting ordained and lay ministers within the Diocese, such as:

- 191 paid posts, some of whom are also housed. These are a mix of 171.5 parochial stipendiary and lay posts, 29 training curates, stipendiary clergy within the diocesan staff and some chaplaincies and archdeacons, less 20.5 vacant posts, up by 1 from 2015 to reflect the increase in clergy retirements. (A full time stipendiary priest costs approximately £51K for stipend, pension, national insurance, running costs of housing and local & national training (excluding capital housing costs).
- Support for those nurturing vocations and those exploring their vocation from initial discernment through training and curacies as appropriate, with a special focus on young vocations.
- The supervision and support of spiritual directors, resources and opportunities for prayer
- Development of Lay Ministry (Learning for Discipleship): Aldhelm Certificate and other discipleship programmes, training for licenced lay ministers, lay pastoral assistants and lay worship leaders.
- Support ordained clergy through our comprehensive Continuing Ministerial Development programme and Ministerial Development Review.
- The total expenditure on repairs and improvements to clergy housing is £1,305,000.

Income from: fees for occasional offices conducted by clergy, glebe rents, investments and £260K of fees for property development contracts with parishes, schools, academies and private clients with church connections. Nearly £143,000 p.a. is given to the Diocese by third parties towards various chaplaincy posts such as School and Academy chaplains, the Chaplain to the Deaf and the Gypsy, Roma and Travellers chaplain.

Main changes in 2016

The 2015 budget is calculated assuming a stipend increase of 2% from 1 April 2015 and up to a 2% increase from 1 April 2016. This was in the light of the Bank of England projected annual inflation rates to be broadly around the government 2% target for the period 2015-2017. The Archbishop's Council is reviewing the stipend increase in the light of falling inflation. Their recommendation will not be known until after budget approval.

Clergy stipends income increases are mainly from additional investment of £2M from the sale of surplus housing.

NATIONAL CHURCH: £977K

This heading brings together all the costs associated with our support for the Church of England. These are our contribution to the training of future ministers, the central administration of the Church grants and mission agencies and housing for those clergy who, on retirement, cannot afford to purchase their own house.

The highest risk is what is called the 'pooling adjustment' of grant support for training ministers. The actual figure for 2016 will not be finalised by the Archbishop's Council until after budget approval.

PARISH AND SCHOOLS RESOURCES: £1.096m

The *Diocesan resources and projects* budget includes:

The resources include Mission and Stewardship advisors, resources for Music in Worship and studies in Church Music, Social Justice programmes, the work of the Evreux Link, the Environment Group and Communications.

The main change in this section is how the work of the DBE is funded and its staff employed. This budget shows a reduction in cross-charging between the Boards. The DBF provides a grant of £282K to support DBE in work for Children and Young People in parishes and deaneries and in supporting 196 church schools/academies. DBE raise more than £500K outside the Diocesan Budget to fund the remainder.

Safeguarding training and support; legal checks for the protection of children and vulnerable adults and the Diocesan Registrar and Diocesan Chancellor.

Support parishes and churches including paying the quinquennial church inspection fees, managing parish trusts and pastoral matters.

OTHER: £27k

The *Cathedral's costs for diocesan services* reflects the 2011 policy whereby the Cathedral Chapter covers the majority of the costs of up to nine diocesan services including confirmations, ordinations, baptisms and the Chrism Service on Maundy Thursday instead of giving an annual grant to the diocese. The diocesan costs cover the production of orders of service and refreshments after each service.

The entry for *Share adjustments* recognises that a number of adjustments to Share assessments have been agreed with the Area Stewardship Groups to address their outstanding arrears which would otherwise have created an unbudgeted deficit. The 2016 provision is the same as 2015.

General Income includes an estimate of dividend distributions in the light of advice from the diocese's investment managers, CCLA, M&G and SJP. This section also includes income from rentals of vacant clergy housing and a grant from the All Churches Trust.

DIOCESAN ADMINISTRATION: £469k

Diocesan Administration includes those staff not directly attributable to parish resources or parish ministry, for example the Accounts department, the Diocesan Secretary's department which includes synodical administration. This also includes the running costs of Church House and the Sherborne Office and legal and audit fees. Further savings of £20K have been achieved in this area.

TOTAL USE OF RESERVES: £31k

The *Use of Reserves* covers the part funding for the vocations co-ordinator post and the increased costs associated with a hoped for increase in those wishing to enter training for ministry. There are plans to apply for a national grant towards this additional vocations and discipleship work and hence this is being held outside the budget for 2016.

GRANTS AND LOANS OUTSIDE THE DIOCESAN BUDGET: OVER £450k p.a.

This support is included here for information to give a bigger picture of the funding that supports mission and ministry across the Diocese and our partners in Sudan and South Sudan.

The Sudan Link: raises more than £230,000 p.a. to support work in both Sudan and South Sudan.

The Pastoral and Development Fund: loans to parishes for the repair, improvement or construction of church buildings that will make an important contribution to the support and enhancement of mission and ministry in the parish (over £300,000 in the last four years).

Generous legacies provide other support:

- The Aldhelm Mission Fund: up to £80,000 p.a. in grants to parishes for new expressions of church.
- The Crompton Fund: £37,000 p.a. for the Clergy Wellbeing programme, the confidential care programme and the Ministry for Mission post.
- The Erskine Muton Fund: we assist the trustees in granting over £100,000 p.a. to parishes in Dorset for church repairs
- The Clergy Retirement Housing Fund: bridging loans to assist with the housing of retiring clergy.

SOME OF YOUR QUESTIONS ANSWERED

Q If the budget increase is 0% why is the Fairer Share apportionment to my parish not increased by the same amount?

A: The Fairer Share figure for your parish is not only affected by the total increase in the Diocesan budget but potentially by a number of other factors:

- whether or not the Fairer Share membership in your parish has increased or decreased
- whether or not you have changed your parish category
- whether or not the number of stipendiary clergy in your parish has changed
- changing membership numbers and Fairer Share categories across the Diocese which have an effect on every parish. If there are fewer people in the Diocese paying for the provision of ministry then we all pay more. Conversely, if church member numbers in the Diocese go up, the cost of provision of ministry is shared across more people.

A more detailed description of the Fairer Share system is available on the diocesan web-site.

Q What happens if we don't pay our Share?

A: The Share is the joint responsibility of all the parishes for meeting the agreed costs of ministry and mission in the Diocese each year. The Board of Finance expects every parish to take its Share responsibility seriously and to pay it regularly during the year and, where Share is not paid, will make enquiries as to the reasons. The Board pays close attention to the Share position throughout the year, because ultimately if Share is not paid there will be fewer stipendiary clergy.

CAN WE HELP?

We realise that the fortunes of any parish can change suddenly. The Area Stewardship teams and the Diocesan Mission and Stewardship officers are available to help anyone experiencing difficulties, or who need assistance with Stewardship or Mission programmes. Contact details are on the diocesan web-site.

CONTACT

If you have any comments or would like more details on the budget please contact:

Lucinda Herklots, The Diocesan Secretary.

Diocese of Salisbury, Diocesan Office, Church House, Crane Street,
SALISBURY, SP1 2QB

Tel: 01722 411922 Email: lucinda.herklots@salisbury.anglican.org

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