



The Church of England
Diocese of Ely

Budget Guide 2016

Explanatory Notes

Diocese of Ely Budget Guide 2016

Key points:

- Ministry share continues to cover 100% of direct clergy cost and 15% of total local support costs
- All mission and ministry programmes fully funded
- Overall increase in Ministry Share matches stipend increase of 1.5%

People Fully Alive – Introduction by Sir Hugh Duberly KCVO CBE

On the 3 June this year, the Diocesan Synod adopted the framework strategy for the next ten years of our life together. In late September we will celebrate its launch at Ely Cathedral. The core of our plans recognised the extraordinary generosity of our parishes in supporting mission and ministry across the diocese. Against a challenging backdrop, I should first express my sincere thanks to all those in parishes who contributed through the ministry share scheme. In 2014 you raised over 98% of the request; £137k more was raised in 2014 than 2013.

Our ability to raise resources by share payment is directly related to our budget proposals for 2016. Low increases in share requests have been the norm for a number of years. Our proposals for 2016 are no exception, the increase being capped at the same level of uplift (1.5%) that has been set nationally for stipends. Having an increase capped at 1.5% means that budgets are tight with little or no room for parishes not to meet its request.

We recognise that for some parishes this will be challenging. For that reason we will be consulting in deaneries about the extent to which some parishes can reach a position, over time, where the direct actual costs of the ministry provided can be met. Meanwhile, the Diocesan Secretary has clear instructions from the Finance Committee to maximise efficiencies, minimise costs and to eliminate waste. Good progress was made on this in 2014.

‘People Fully Alive; ELY 2025’ will generate some new challenges that will be needed to meet some of the opportunities for growth in the diocese over the next ten years. Our first response to this has been to include in the 2016 budget, provision for supporting the strategy to be known as ‘the ELY 2025 Fund’. The provision has been created through consolidation of existing funds, better than expected income from our historical resources and prudent spending in 2014.

I am pleased to be able to commend to you a balanced budget for 2016 that fully supports diocesan ministry and mission.

Sir Hugh Duberly
Chair of the Diocesan Board of Finance

Ely Diocesan Vision

We pray to be generous and visible people of Jesus Christ.

Believing that God calls us to discover together his transforming presence in our lives and in every community, in Jesus Christ we pray:

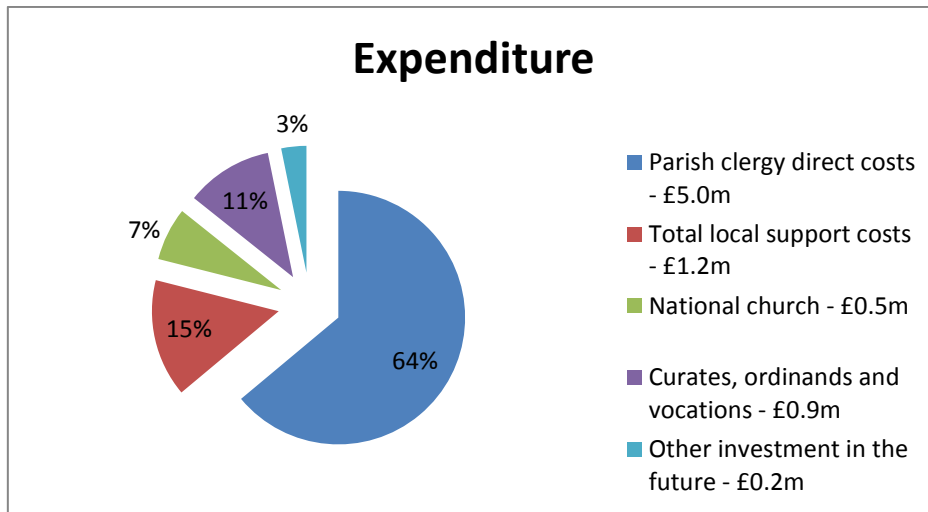
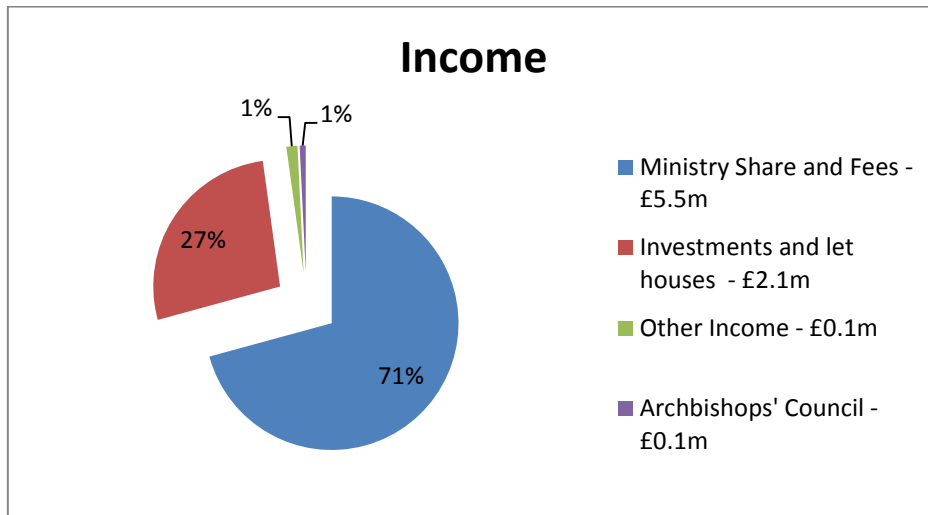
- To engage fully and courageously with the needs of our communities, locally and globally
- To grow God's church by finding disciples and nurturing leaders
- To deepen our commitment to God through word, worship and prayer.

Strategy prayer

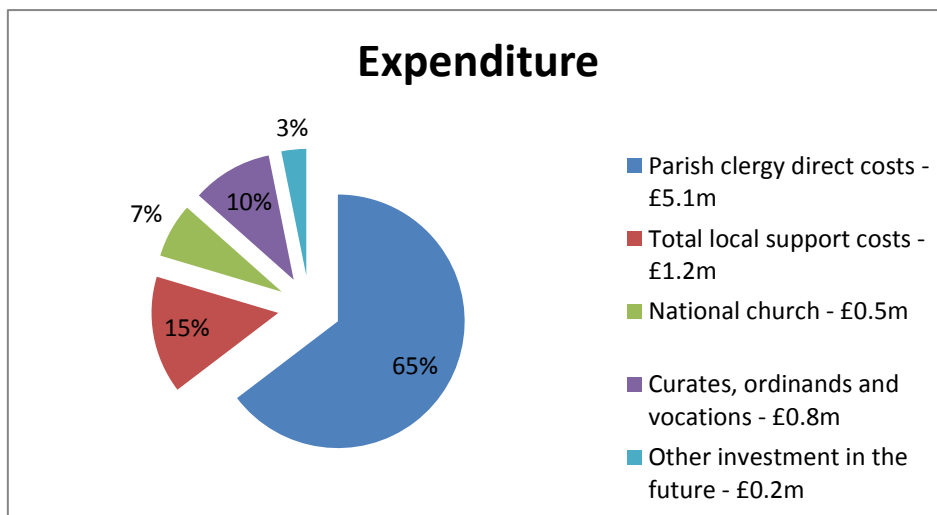
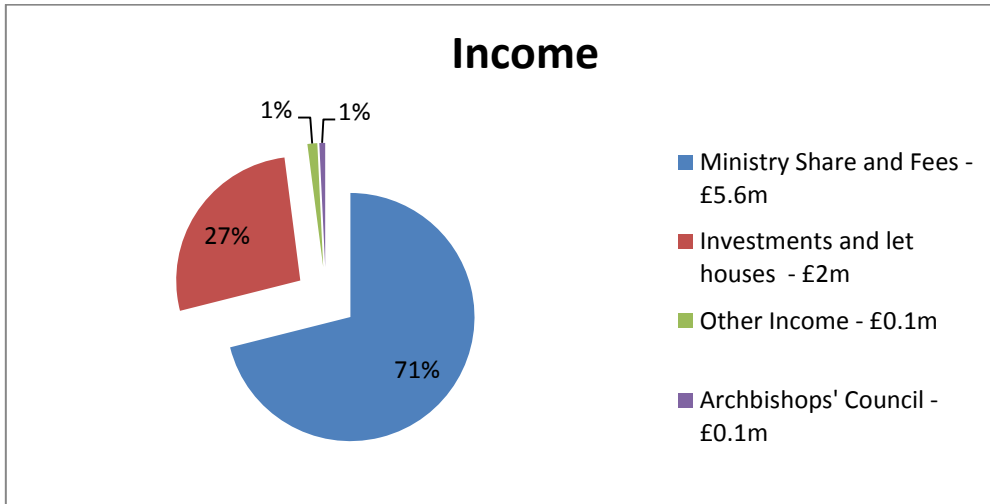
We praise and thank you, God of the journey,
For all your gifts to us in the past.
We look to you as fellow-traveller and faithful companion on the way ahead.
Shelter and protect us from all harm and anxiety;
Give us grace to let go of all that holds us back;
And grant us courage to meet the new life you have promised us
In Jesus Christ our Lord.

Amen

2015 Budget



2016 Budget



BUDGET 2016

| INCOME | | | |
|---------------------------------------------|----------------|----------------|----------------|
| | 2014 BUDGET | 2015 BUDGET | 2016 BUDGET |
| | £000s | £000s | £000s |
| GIVEN BY PARISHES | | | |
| Net Ministry Share received | 5,132 | 5,167 | 5,237 |
| Parish fees | 322 | 350 | 369 |
| | 5,454 | 5,517 | 5,606 |
| INVESTMENT INCOME | | | |
| Investment income (inc glebe, net of costs) | 1,886 | 1,980 | 1,949 |
| Parsonage letting income (net of costs) | 130 | 130 | 172 |
| | 2,016 | 2,110 | 2,121 |
| OTHER INCOME | | | |
| | 175 | 170 | 161 |
| TOTAL INCOME | 7,645 | 7,797 | 7,888 |
| EXPENSES | | | |
| PARISH CLERGY DIRECT COSTS | 4,880 | 4,958 | 5,066 |
| LOCAL SUPPORT COSTS | 538 | 545 | 540 |
| DIOCESAN OFFICE COSTS | 582 | 620 | 633 |
| TOTAL LOCAL SUPPORT COSTS | 1,120 | 1,165 | 1,173 |
| CONTRIBUTION TO NATIONAL CHURCH | 520 | 524 | 545 |
| INVESTMENT IN THE FUTURE | 1,089 | 1,108 | 1,053 |
| TOTAL EXPENSES | 7,609 | 7,755 | 7,837 |
| SURPLUS | 36 | 42 | 51 |

What's what...

These notes describe the main areas of income and expenditure in the 2016 proposed budget.

Income

- Ministry Share is increased by 1.5%.
- Invested income: the Assets Committee seeks to maintain a 5% increase in income each year over and above the level of inflation.
- Parsonage letting income is expected to fall as more houses are being used by clergy rather than being let commercially.

Parish Clergy Direct Costs

The first and most significant area of expenditure includes all the items necessary for placing and supporting ordained and lay ministers within the diocese.

- Clergy Stipends: For 2016 the budgeted number of stipendiary posts is 104. The posts are a mix of parochial stipendiary posts, other stipendiary clergy and pioneer posts. The 2016 figure of £5m represents stipends, pension, national insurance contributions, housing, removals and resettlement grants and costs of vacancies.

The 2016 Budget figure is calculated to reflect a 1.5% stipend increase from 1 April 2016, a figure set by the National Church.

Local (Clergy and Parish) Support Costs

These are the costs of providing support to parishes and clergy and several statutory functions. They include:

- Archdeacons (plus support staff)
- Ministry support and training
- Clergy support and counselling
- Stewardship support
- Safeguarding
- Legal fees
- Church inspection and faculty fees

Overall, 7% of the budget is spent on these operational items; it is set at a similar level to the 2014 budget. All expenses incurred by the bishops and their offices are paid by the Church Commissioners and are not included in this budget.

Diocesan Office Costs

These are the costs of administration for the diocese. This heading includes:

- Salaries for administration and Diocesan Advisory Committee (DAC) staff
- Office running costs
- Building maintenance
- Diocesan Advisory Committee (DAC) costs
- Church Buildings Support (work carried out in-house)
- Board and Committee expenses
- Communications, marketing and development
- Audit and accountancy advice, finance

Contribution to National Church

This heading brings together all the costs associated with our support for the Church of England, together with costs associated with training new clergy in theological colleges. The main element in the National Church support figure includes the central administration, some funding for retired clergy housing and some clergy associated with the Church of England's National Mission.

The Archbishops' Council has made a commitment to keep costs down. The budget increase per diocese has been set at 3.1% nationally.

Investment in the Future

- Curates
- Director of Ordinands and Vocations
- Local ordinands maintenance grants
- Council for Mission
- Children's Adviser
- Fresh Expressions Adviser
- Local Mission projects
- Anglia Ruskin University chaplain

The 2016 budget is for 15 curates (as for 2015).

Surplus

As a not-for-profit organisation the diocese aims to break even over time. Due to fluctuations in circumstances, surpluses and deficits are made annually. Recent years have returned a surplus but in earlier years deficits have been incurred. The 2014 surplus was attributed to better than expected investment income, lower building maintenance costs and some savings in staff costs and running costs at the Diocesan Office.

Reserves policy

Any surpluses which have been built up over years are known as reserves. The Charity Commission requires us to have a policy. The diocesan reserve policy is a target of free reserves (net of tangible fixed assets and investments) currently set at an amount equivalent to three months' gross expenditure from unrestricted funds estimated at £1.8m. Currently, the level of free reserves stands at £1.8m.

CONTACT

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This guide is also available on the diocesan website.

www.elydiocese.org