

2009 BUDGET



Objectives are to:

- increase the number of people exercising lay and ordained Christian ministry in the diocese.
- maintain the full number of parish priests apportioned to the diocese by the Archbishops' Council
- maintain stipends at the level recommended for the Eastern Region by the Archbishops' Council
- upgrade to modern standards and provide routine maintenance and expenditure on parsonage houses

Financial Strategy

Over the next few years to balance income and expenditure while maximising the number of priests in post, but keeping Ministry Share increases to a level that are attainable in the parishes.

Review of 2007

2007 was a disappointing year, with a deficit of £420,000. This was mainly due to deploying six more priests than budgeted. This was partly a consequence of the compound effect of having placed extra curates in recent years. However, such expenditure on curates is a necessary cost if there are to be sufficient parish priests to fulfil the Pastoral Plan in future years. This will have a continuing impact in 2008.

Ministry Share increases have been kept to the absolute minimum in an attempt to enable deaneries to meet their Share in full. Thirteen (out of sixteen) deaneries achieved this in 2007 but nevertheless there was a shortfall on Ministry Share of c£75,000. The increased number of deaneries meeting Ministry Share in full meant that £80,000 more than budgeted was returned to parishes as rebates. Overall the contribution from parishes increased by £90,000.

Progress in 2008

Expenditure on stipends is expected to be close to budget but depends upon the retirement or leaving dates of clergy. Other expenditure is below budget and some modest savings are expected from diocesan posts.

Motivated in part from having achieved full payment last year, deaneries are reacting positively and Ministry Share receipts are 1% ahead of comparable figures for last year. The final outcome rests predominantly upon deaneries and parishes meeting their Ministry Share allocations in full.

2009 Budget

By 2009 the cumulative effect of the extra curates should disappear and provided appointments are made only in accordance with Pastoral Plans, the budgeted 124 stipends should be back on course. The medium term financial strategy remains to bring the diocese into surplus in 2010.

The number of ordinands training at theological colleges and on courses has increased and therefore the costs of *Training for Ministry* and *Ordinands Maintenance grants* have increased more than expected. To compensate for this the Finance Committee has therefore had to look particularly carefully at the budget allocations for diocesan programmes.

The stock of houses is under constant review and obsolete houses are either replaced or sold as appropriate. The regular programme of home maintenance is intended systematically to ensure that all houses are improved to conform with contemporary expectations. As a consequence of these improvements the capital value of the diocesan properties is increased. In recognition of this it is intended to continue to meet an element of housing expenditure from housing reserves to reduce the amount falling directly upon parishes.

Ministry Share

It is essential that each deanery allocates its full Share to parishes in the deanery, and that each parish pays its Share in full. The diocese depends upon the contributions received from parishes to meet the monthly stipends of priests. A rebate of 2½% is returned to a deanery that meets 100% of its Share.

To ensure that stipends can be met each month parishes are urged to use the direct debit procedure and to pay the Ministry Share in full. A rebate of 2½% is returned to the PCC on that element of Share paid by direct debit.

Vacancies

The financial strategy is based upon a reduction from 124 to 120 stipends over the next few years to match the number of priests available as forecast by the Archbishops' Council. The statutory procedure for filling vacancies inevitably leads to delay between appointments. Vacancies will be filled only where they are consistent with Deanery Pastoral Plans. The shortage of parochial clergy means that many new appointments are associated with pastoral re-organisation and the process to find a suitable priest often takes longer; consequently vacancies will sometimes be prolonged.

Summary

The Finance Committee prepares the budget after discussion with the Deanery Liaison Group (which comprises one representative from each deanery) and then refers it for comment to Deanery Synods. The budget is then considered by Bishop's Council before being presented to Diocesan Synod in October.

SUMMARY BUDGET FOR 2009	
INCOME	
Ministry Share *	4,950,000
(less rebates)	(199,750)
National Church	141,000
Stipend fund and other income for ministry	2,083,500
Transfer from housing reserve	150,000
	<hr/>
	7,124,750
EXPENDITURE	
Parish Ministry	5,747,321
National Church	501,979
Services to parishes, diocesan programmes and administration	875,450
	<hr/>
	7,124,750
NOTE	
* This level of Ministry Share in full is needed to balance diocesan expenditure on ministry	

Where does the money go?

- 81%** **Ministry:**
clergy stipends, pensions, clergy training and housing
- 12%** **Parish Support and Diocesan Administration:**
diocese-wide programmes in support of parishes; general administration and investment management
- 7%** **National Church:**
General Synod and ordination training;
contribution towards national Church Administration

Where does the money come from?

- 67%** **Ministry Share:**
contributions from parishes
- 31%** **Stipends Fund and other income for ministry:**
fees: trust income and investments, property and land managed by the Diocesan Office
- 2%** **National Church:**
general allocation, parish mission initiative grant

A detailed Budget statement of proposed income and expenditure for 2009 (if not appended to this paper) is available from the Diocesan Office or on the Diocesan web site www.ely.anglican.org

Budget/2009Budget

DIOCESAN BUDGET FOR 2009

2007 Actual	2008 Budget	INCOME	2009	Increase over 2008 Budget
£	£		£	
		A Parish contributions		
4,596,294	4,750,000	Ministry Share	4,950,000	200,000
(84,716)		(Parish credits)	(86,000)	(86,000)
(102,183)	(100,000)	(Deanery rebate)	(123,750)	(23,750)
9,693	30,000	Other contributions	10,000	(20,000)
<u>4,419,088</u>	<u>4,680,000</u>		<u>4,750,250</u>	<u>70,250</u>
		B Voluntary Income from Archbishops' Council		
23,041	25,750	Chancellor / Registrar	26,500	750
0	75,000	Selective allocation Church Commissioners' help towards pension costs	75,000	-
39,700	39,500	Parish Mission grant	39,500	-
<u>62,741</u>	<u>140,250</u>		<u>141,000</u>	<u>750</u>
		C Other voluntary income		
74,518	70,000	Ecclesiastical Insurance grant	75,000	5,000
250	2,000	Ordination candidates donations	2,000	-
	150,000	Transfer from reserves for property	150,000	-
6,610		Marshalls charity grants towards housing	7,000	7,000
10,820		Donations		
<u>92,198</u>	<u>222,000</u>		<u>234,000</u>	<u>12,000</u>
		D Income from activities for generating funds		
228,146	220,000	Rent from let parsonages	230,000	10,000
<u>228,146</u>	<u>220,000</u>		<u>230,000</u>	<u>10,000</u>
		E Investment income		
656,936	630,000	Stipend Fund income	720,000	90,000
78,224	105,000	Interest from Diocesan Pastoral Account	100,000	(5,000)
243,487	230,000	DBF Trust & general investments and interest	290,000	60,000
332,978	340,000	Glebe Income (costs and charges see below)	360,000	20,000
<u>1,311,625</u>	<u>1,305,000</u>		<u>1,470,000</u>	<u>165,000</u>
		F Incoming resources from charitable activities		
234,175	260,000	Assigned Fees	250,000	(10,000)
24,191	30,000	Unassigned Fees	30,000	-
13,435	16,500	Fees from Services in vacancies	16,500	-
6,254	3,000	Guaranteed annuities	3,000	-
<u>278,055</u>	<u>309,500</u>		<u>299,500</u>	<u>(10,000)</u>
<u>6,391,853</u>	<u>6,876,750</u>	TOTAL BUDGETED INCOME	<u>7,124,750</u>	<u>248,000</u>
		EXPENDITURE		
		G Costs of generating voluntary income		
47,505	40,000	Parsonage letting costs	50,000	10,000
<u>47,505</u>	<u>40,000</u>		<u>50,000</u>	<u>10,000</u>
		H Investment management costs		
70,261	54,000	Glebe agents and investment advisers' fees	77,000	23,000
<u>70,261</u>	<u>54,000</u>		<u>77,000</u>	<u>23,000</u>
		J Contribution to Archbishops' Council		
180,117	190,046	Training for the Ministry (GS vote 1)	218,818	28,772
204,220	208,045	National Church Responsibilities (GS votes 2&3)	214,862	6,817
51,885	50,328	CHARM (Church's Housing Assistance for the Retired Ministry) (GS vote 5)	53,752	3,424
13,209	14,120	Mission Agencies - pension contributions (GS vote 4)	14,547	427
<u>449,431</u>	<u>462,539</u>		<u>501,979</u>	<u>39,440</u>
		K Expenditure on resourcing Ministry & Mission		
		K1		
		Gross cost of Stipends	£	
2,681,174	2,681,280	Parochial clergy stipends	124 21,900	2,715,612
88,047	97,902	Archdeacons & Dir of Ministry	3 33,600	100,800
<u>2,769,221</u>	<u>2,779,182</u>			<u>2,816,412</u>
157,935	175,000	N.I. contributions	5.7%	160,536
1,018,029	988,088	Pension contributions	NMS= £20,230 39.7%	1,019,976
53,358	14,000	Church Commissioners interest charge		14,000
<u>3,998,543</u>	<u>3,956,270</u>			<u>4,010,924</u>
		K2		
539,283	583,000	Clergy housing costs		
51,772		Repairs to Clergy Houses	608,000	25,000
281,213	295,000	exceptional repairs expenditure		
56,173	65,000	Council Tax	290,000	(5,000)
43,312	46,000	Water & Sewerage	64,000	(1,000)
100,059	55,000	Insurance	46,000	-
110,982	115,000	Rents payable	57,000	2,000
<u>1,182,794</u>	<u>1,159,000</u>	Management costs	119,000	4,000
			<u>1,184,000</u>	<u>25,000</u>

DIOCESAN BUDGET FOR 2009 (continued)

2007 Actual £	2008 Budget £			£	
		K3	Ministry Selection & Training		-
			Training for the Ministry (see above)(GS vote 1)		
183,881	150,000		Ordinands maintenance grants	207,000	57,000
(89,049)	(80,844)		Pooling Arrangements	(81,103)	(259)
4,000	3,500		Regional Training Partnership	1,000	(2,500)
16,904	20,000		Director of Ministry expenses of office	20,000	-
17,005	22,000		Fresh Expressions (£post) -- from Mission initiative grant	19,000	(3,000)
78,442	89,600		Ministerial & Adult Learning	90,000	400
17,346	18,000		Continuing Ministerial Education & Post ordination training	19,000	1,000
0	2,500		Rural Deans / Clergy (triennial) conferences	32,000	29,500
<u>228,529</u>	<u>224,756</u>			<u>306,897</u>	<u>82,141</u>
		K4	Clergy Support		
18,106	8,000		Parish Expenses/Clergy recruitment/travel	18,000	10,000
(5,000)	(6,000)		Donation from Trust fund	(6,000)	-
105,721	120,000		Removal and Resettlement & NSM grants	114,000	(6,000)
5,835	7,500		Professional support/counselling	7,000	(500)
12,319	12,000		Criminal Records Bureau	13,000	1,000
9,000	9,000		Bishop's discretionary fund	5,000	(4,000)
54,112	45,000		Service fees paid during vacancies	50,000	5,000
237	4,500		Diocesan Assoc of Readers	4,500	-
37,159	36,800		Archdeacons' expenses of office	40,000	3,200
<u>237,489</u>	<u>236,800</u>			<u>245,500</u>	<u>8,700</u>
		K5	Diocesan Programmes and Services to Parishes		
51,929	62,000	1	Legal fees and retainers (Chancellor & Registrar)	55,700	(6,300)
256,293	259,625	2	Administration and Management inc computer upgrades	270,000	10,375
31,182	35,000		Management Accounting	33,400	(1,600)
13,820	13,000		Trusts & Gift Aid service	15,000	2,000
8,950			Diocesan Office Roof repair		
3,256	4,000		Bank charges	4,000	-
42,172	43,000	3	Diocesan Advisory Committee (DAC)	45,000	2,000
17,639	19,000		Faculty fees for P.C.Cs	19,000	-
0	2,000		Consistory Courts	2,000	-
34,898	19,000	4	Church inspection fees	24,000	5,000
300	300	5	Church Bldg and Preservation donations	300	-
5,255	8,200	6	Publications (Directory / Annual Report etc)	6,500	(1,700)
(3,607)	(3,500)		(income sales / advertising)	(3,800)	(300)
7,771	10,490	7	Church in Society	10,500	10
16,000	16,000	8	Family and Social Welfare	16,000	-
3,500	3,500	9	Chaplaincy to People at Work	3,500	-
(2,072)	4,000	10	Rural Mission	1,000	(3,000)
55	500	11	Urban Priority Areas	500	-
3,500	5,000	12	East of England Churches Network	4,000	(1,000)
8,228	12,000	13	Council for Ministry and Mission	12,000	-
2,925	5,000	14	Parish Mission initiative	5,000	-
2,890	2,000	15	Cambridge Ecumenical Council (incl part stipend)	3,000	1,000
810	400	16	Diocesan Liturgical Committee	400	-
1,050	1,050	17	Ely Royal School of Church Music	1,050	-
2,107	3,500	18	Spirituality	2,500	(1,000)
2,699	3,000	19	Ministry to deaf people	3,000	-
0	850	20	Ministry of Healing	500	(350)
101,875	130,830	21	Children and young people: (Education and Training) incl Child Protection training	134,600	3,770
	30,000	22	Director of Communications & Group expenses	31,000	1,000
6,091	6,000	23	Web Site Editor	6,000	-
(3,869)	-	24	Ely Ensign	0	
(1,688)			Ensign income / donation		
		25	Web site		
	10,000	26	Bishop's Council Contingency (Lambeth Conference 2008)	5,000	(5,000)
<u>613,959</u>	<u>705,745</u>			<u>710,650</u>	<u>4,905</u>
		L	Governance costs		
14,133	15,000		Audit fees	15,000	-
3,245	8,200		Boards and Committees Trav Exps	8,200	-
5,437	3,600		General Synod members' expenses	3,600	-
10,400	10,840		Diocesan Synod & Bishop's Council	11,000	160
<u>33,215</u>	<u>37,640</u>			<u>37,800</u>	<u>160</u>
<u>6,861,726</u>	<u>6,876,750</u>		TOTAL BUDGETED EXPENDITURE	<u>7,124,750</u>	<u>248,000</u>
(51,772)			Transferred from designated funds		
<u>(418,101)</u>	<u>(0)</u>		TRANSFER TO (TAKEN FROM) GENERAL RESERVES	<u>(0)</u>	<u>0</u>