

16.26

Diocesan budget and Centenary Share 2017

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The Key Financials

DBF Unrestricted Fund

We have a revised balanced budget the variance against June Synod figures are;-

- 94% share collection in 2017 a reduction of £418k
- £324k reduction in costs
- Plus the movement/correction of the £141k of Parsonage costs going into the DPA

	2016	2017	2017
	Forecast	June Synod budget	Nov Synod Budget
	£'000	£'000	£'000
Centenary Share requested	6,930	6,961	6,961
% Received	91.6%	100%	94%
Centenary Share received	6,350	6,961	6,543
Other income	1,398	1,433	1,408
Expenditure	8,178	8,409	7,944
Surplus/(Deficit)	-430	-15	7



Key assumptions

Income revisions

Other Diocese standard practise?

- Requires £193k (3%) more share collected in 2017 than 2016
- Share collection across the UK varies between 95% - 98%
- 6 interim DOs who are also Lay Chairs – we need to fill these
- Robust process led from the Finance Department to challenge the 'Won't pay' PCCs
- Collect 100% parish share data on especially on reserves
- Policy for PCCs on reserve levels agreed by Bishops Council will be brought to Synod in 2017
- Year end failure to pay will only be ignored/forgiven if the PCC is a 'can't pay' PCC
- If they are a 'won't pay' they will in future carry the outstanding share request into the following year
- More than 3 months late payment follow up ...

With this in place we should move from 91.6% to 94%



Key assumptions

Cost revisions

Principal savings versus 2017 Synod budget

- Savings from losing staff £196k
- Savings from pension changes (from 1st April) £120k
- Savings from property repairs and maintenance £100k
- Movement of £141k of costs from DBF unrestricted into Parsonage Fund (DPA)

Principal extra costs

- Youth officer £48k
- Provision of Interim clergy £40k



Key assumptions

Conclusion

The recovery plan delivers in 2017.

There remains one substantial riskThe payment of share

£210k, half of the 6% shortfall is already identified as connected to structural problems in PCCs with little or no reserves.

So we really need 97% from the rest.....hence the proactive approach being proposed

We have held share request unchanged for 3 years now – this is not sustainable going forward

In 2018 -2020 you should anticipate an increase in line with inflation + 1%-2%.

