

St Edmundsbury & Ipswich Diocesan Board of Finance

BUDGET 2016

	2014 Actual £000	2015 Budget £000	2016 Budget £000	Budget change £000
Income	1,439	1,409	1,453	44
Expenditure	8,021	8,358	8,549	191
Net funds required	6,582	6,949	7,096	147

With costs set to rise by £191,000 from the 2015 budget, and a modest increase in other income of £44,000, the total funding requirement increases by £147,000, just over 2.1% from 2015.

Expenditure

- The clergy stipend rate is set to increase by 2.1% to reach the regional benchmark of £24,930. Stipendiary clergy numbers are budgeted to fall by 4 to 118. These changes should see a reduction in costs of £27,000.
- The appointment of the Local Giving Advisor coordinator and the introduction of the national Parish Giving Scheme will add £69,000 to costs.
- The first of three years support for the Diocese's Multi Academy Trust starts in 2016, adding £50,000 to expenditure.
- Additional staffing in the communications area following the completion of the Communications Review, and additional web site support increases costs by £46,000.

Income

- Parochial fee receipts and rental income from vacant parsonages are expected to increase in 2016.

Funding

	2015 Budget £000	2016 Budget £000	Budget change £000
Net funds required (above)	6,949	7,096	147
Funded from restricted income	(15)	(15)	-
Transitional relief	(200)	(150)	50
Centenary Share Request	6,734	6,931	197

- Centenary share requested is £197,000 - 2.9% - more than was requested in 2015. This is however £942,000 (16%) more than was received in 2014.

Summary Income & Expenditure 2016

	2014 Actual £000	2015 Budget £000	2016 Budget £000	Budget to budget change £000
Income				
Other income	1,439	1,409	1,453	44
Expenditure*				
Archbishop's Council and income costs	635	655	591	(64)
Parish ministry	5,609	5,730	5,752	22
Ministry, education and training	324	434	448	14
Youth and children's ministry	104	189	242	53
Specialist ministry and church buildings	488	488	637	149
Governance and administration	861	862	879	17
	8,021	8,358	8,549	191

**Expenditure does not include major property improvements, which are met from the Diocesan Pastoral Account. The amount budgeted for this expenditure in 2016 is £200,000 (2015 £200,000).*

Detailed Income & Expenditure 2016

	Actual 2014 £000	Budget 2015 £000	Budget 2016 £000	Budget Change £000
Other Income				
Archbishop's Council	252	252	247	(5)
Other donations	177	230	155	(75)
House rents	216	222	268	46
Investment income	186	188	188	-
Other income	52	27	29	2
Parochial fees	556	490	566	76
Total	1,439	1,409	1,453	44
<i>Contd.....</i>				

	Actual 2014 £000	Budget 2015 £000	Budget 2016 £000	Budget Change £000
Expenditure:				
Archbishop's Council & income costs				
Contributions to Archbishop's Council	553	577	502	(75)
Costs of renting out properties	54	64	70	6
Investment management costs	28	14	19	5
Total	635	655	591	(64)
Parochial ministry				
Stipends & national insurance	3,216	3,283	3,271	(12)
Pensions	1,041	1,105	1,090	(15)
Fees for non-sequestration offices	50	55	55	-
Sequestration	12	9	12	3
Removals and relocations	84	80	85	5
Stipends support	72	49	67	18
Parsonage repairs	393	385	385	-
Water rates, council tax & insurance	342	356	359	3
Property administration	120	121	121	-
Rural deans	11	9	11	2
Archdeacons	162	170	174	4
Bishops	14	32	25	(7)
Safeguarding	92	76	97	21
Total	5,609	5,730	5,752	22
Parochial ministry training				
Ministry, education & training	203	247	251	4
Continuing ministerial development	41	80	79	(1)
Diocesan director of ordinands	49	68	73	5
Lay ministry & training	28	38	41	3
Readers & licensed lay ministers	3	1	4	3
Total	324	434	448	14
Youth & children's ministry				
Children's work	46	57	59	2
Board of education	40	80	80	-
Multi Academy Trust	-	-	50	50
University chaplaincy	14	32	33	1
Youth work	4	20	20	-
Total	104	189	242	53

Contd.....

	Actual 2014	Budget 2015	Budget 2016	Budget Change
Specialist ministry & church buildings				
Communications	71	90	136	46
Parish resources	38	42	111	69
Community affairs	61	64	66	2
Diocesan director of mission	67	101	103	2
Ecumenism, shows & centenary	58	15	37	22
Grants	17	15	15	-
World mission group	19	5	5	-
Diocesan advisory committee	100	104	107	3
Tourism	37	37	42	5
Spending from restricted funds	20	15	15	-
Total	488	488	637	149
Governance & administration				
Secretariat	246	256	260	4
Registrar & chancellor	50	51	53	2
Audit & professional fees	29	38	38	-
Synod & committees	14	16	16	-
Office services	355	329	337	8
Accounts	167	172	175	3
Total	861	862	879	17

Notes on the detailed 2016 Budget

Income

Archbishop's Council The Archbishops' Council is responsible for allocating ministry and stipends support to low income dioceses. The money comes from funds provided by the Church Commissioners to support more deprived areas of the country. In addition the Council distributes the Mission Development Fund, which is also provided by the Church Commissioners for dioceses to fund mission initiatives and/or additional stipend support. The allocated income has been at the same level for the last few years pending a review of the Darlow formula system of allocation. From 2018 onwards, the Archbishop's Council will allocate 50% of the funds to those dioceses with the greatest areas of deprivation, with the remaining 50% allocated for diocesan projects for mission and growth. These grants will have to be applied for and part funded by the diocese concerned. If no grant funding is applied for, the Board will see a 100% fall in Archbishop's Council income as these changes are phased in over the next 10 years, although the funding level will be increased in 2017 to facilitate changes needed to improve the strategic capacity of dioceses to apply for the grant funding.

Other donations The major change in this area, is the reduction of donated income from the Board's subsidiary trading company, Churchgates 2000 Limited. The subsidiary must make a charitable donation of any taxable profits it generates each year to ensure it does not incur a tax liability. As the subsidiary does not have any distributable reserves under Company Law that

donation can not be made to its parent company i.e. the Board. A donation to another charity can still be made however to reduce the tax liability, so the subsidiary has paid the Archbishop's Council instead. Consequently the payments from the Board to the Archbishop's Council (which are voluntary donations in themselves) are reduced accordingly, so financially the Board is in the same position as it would have been had it received the funds directly.

House rent received Increasing the rental income from short term lets is a priority for 2016 and consequently the income from this area is expected to rise. An additional £46,000 has been included in income.

Other income This line comprises modest amounts of income from a variety of budget areas in respect of grants and donations for particular areas of work, as well as fees charged for courses. The largest single area of income is £10,500 from fees for the continuing ministerial development Stages of Ministry courses.

Clergy fees and sequestration income The budget for parochial fees continues to increase in line with the experience of fee receipt patterns over the past two years under the new fee rules. Overall this line sees an increase in budget of £76,000 for 2016.

Expenditure

Contributions to the Archbishop's Council These costs cover residential training courses for the ministry, mission agencies pensions, the clergy retirement housing scheme (CHARM) and the Archbishop's Council's running costs. The reduction in budget for this area of £75,000 compared to 2015, is due to the donation from the Board's subsidiary company Churchgates 2000 Limited paid directly to the Archbishop's Council. (See 'Other donations' above).

Costs of renting out properties With the expected increase in the number of properties rented out for 2016, these costs have been increased by £6,000.

Investment management costs These costs relate to the management of the glebe land portfolio and vary from year to year depending on the expected work generated by the different parcels of land. The budget for 2016 has been increased by £5,000 to £19,000.

Parochial stipends The number of stipended parochial clergy is expected to continue to fall. In 2016 the budget allows for 4 fewer clergy at 118 full time equivalents on the Commissioners payroll – being 12 curates and 106 incumbents. A 2.1% increase in stipends has been allowed for, taking the stipend to £24,930, which is also the regional stipend benchmark for 2016/17. The budget increase allowed for curates is 1.6% to 23,650 (or the national minimum stipend if greater). In addition to the clergy on the Commissioners payroll, 2.7 full time equivalent posts are budgeted for through the DBF payroll for other clergy and lay staff in lieu of deanery posts. 6 house for duty priests have also been budgeted for, half of whom are expected to receive a housing allowance rather than a property. These allowances are paid through the stipends payroll. Overall these changes produce a fall in the stipends costs of £12,000 over 2015 to £3.271 million in 2016.

Clergy pensions The contribution rate for clergy pensions (which is based on the previous years national minimum stipend), remains static at 39.9%, so with the reduction in the number of budgeted clergy pensions in payment of 4, the cost for pensions is expected to fall by £15,000.

Fees paid to retired clergy for non-sequestration offices Part of the increase in parochial fee income is due to the requirement that all fee income passes to the Board – to whom it now

legally belongs. Retired clergy remit claims for payment for offices performed to the Board. No significant changes are anticipated in the levels of payment for this in 2016.

Sequestration These are fees paid to retired clergy, and mileage to these and other ministers for covering parish services where there is an interregnum, as opposed to the fees in the category above where there is an incumbent in place. The budget for these fees has been increased by £3,000.

Removals and relocation These are the resettlement and first incumbency grants paid to ministers moving into and around the diocese. A first incumbency grant is intended to help towards the costs of setting up a new office, while a resettlement grant is to help towards the costs of other fittings in the new parsonage house. In addition to these grants the diocese meets the costs of removals for clergy, curates and sponsored ordinands. The budget has been increased by £5,000 for these costs in 2016.

Stipends support This area encompasses the costs of diocesan staff, who provide the administration for clergy stipends, terms and conditions, arrivals and departures (other than property matters). Additional staff time has been allocated to this area of work for 2016, with a consequent increase in staff costs of £12,500 and an overall increase of £18,000.

Parsonage repairs These costs are for the repair and maintenance of properties provided to parochial clergy. More significant work such as the replacement of kitchens or bathrooms are costed to the Diocesan Pastoral Account, from which £200,000 is set aside each year for this work, out of the disposal proceeds of benefice properties. Property work which is considered to add to the capital value of the property is not expensed through the revenue budget, but added to the cost of the property concerned. The property maintenance bill is expected to be held at £400,000 - the same level as for 2015. A proportion of this budget is included under Archdeacon's costs as they are also provided with houses.

Water rates, council tax and insurance The diocese meets these costs for all members of the clergy in diocesan housing. They are estimated based on the number of properties expected to be occupied by clergy in 2016 and are expected to rise by around £3,000 for 2016.

Property administration The costs for this area principally relate to the staff time involved in managing the repairs and maintenance of, and buying and selling of properties, and preparing them for the arrival and departures of clergy.

Rural deans These costs comprise additional expenses incurred by parochial clergy who have taken on the role of rural dean. The amounts claimed vary greatly, with some rural deans who are not parish based, and so do not have parish resources to fall back on, needing to claim more for support. A modest increase in costs of £2,000 is anticipated for 2016.

Archdeacons The diocese has two full time archdeacons supported by one full time administrator. Archdeacons' stipends (and pension) rates are set by the national church. No significant changes have been anticipated in this area for 2016.

Bishops' costs A few sundry costs for the Bishop and the housing costs of the Bishop's Chaplain, falls to the DBF. In addition some costs for the arrival of new Bishops are also borne by the DBF. This provision was £20,000 in 2015 for the arrival of the Bishop Martin, but has been reduced to £12,000 for 2016 in anticipation of the arrival of a suffragan.

Safeguarding This area provides for the statutory compliance with the national legal and procedural framework for safeguarding children and vulnerable adults, working with the police and social care services and offering support and services to parishes on safeguarding matters. Additional support staff time has been budgeted for in this area in 2016 and together with the increased costs for DBS checks sees the budget needed rise by £21,000 for 2016.

Ministry, Education and Training (covering Continuing Ministerial Development, Ordinands, Lay Ministry Training and Readers) Following the Ministry Education and Training review these budget areas have been brought together under one Director, so the budget areas falling within this grouping are considered as a whole. All the staffing costs are included in the 'Ministry, Education and Training' budget area, with the various additional costs for other areas shown separately. Although a diverse range of training and discernment falls under MET, the overall costs for 2016 are expected to remain broadly in line with 2015.

Youth & children's ministry (covering Children's Work, Board of Education, University Chaplaincy, Youth and the Diocesan Multi Academy Trust) The Diocesan Multi Academy Trust is now up and running and bringing on board its' first academies. To support the MAT in its early stages, a grant of £50,000 pa for three years has been approved by Synod, which is the main reason for the uplift in the total budget for this area of £53,000. The costs for the remaining areas of work are not expected to vary greatly from 2015.

Communications Additional staff and press officer costs (now in place following the communications review) add £35,000 to the budget, with a further £10,000 included in respect of developing the website. Overall this area sees an increased budget requirement of £46,000 for 2016.

Parish resources This area is focused on parish share administration, the support of the Giving Group and the training of local giving advisers. Parish resourcing work has seen several changes in recent years and 2016 sees the anticipated arrival of the local giving adviser coordinator and the initial role out of the national giving scheme. Staff costs are set to increase by £46,500 and with the giving scheme expected to cost £16,000 in its first year, overall costs are budget to rise by £69,000.

Community affairs No major changes are expected in this area, which is involved in engaging the church with various community groups and societal structures.

Diocesan director of mission The 'Leading Your Church into Growth' conference, for which an additional £26,000 was budgeted for in 2015, has been deferred to 2016, so instead of an expected fall in budget for this area of a similar amount, the cost remains very close to the 2015, increasing by just £2,000 for 2016.

Ecumenism and Events. This area encompasses several smaller budget heads, including the Suffolk Show, ecumenism, chaplaincy to the deaf and healing and wholeness. In 2016 the budget has been increased by £22,000, principally to cover the costs of sponsoring a stage at the Music in the Park festival, and event which was also undertaken in 2015.

Grants. Grants are made annually to the cathedral, Churches Together in Suffolk and the archivist. They are not expected to change from 2015 to 2016.

World mission group This budget supports the work of the world mission group, who operate principally with the Diocese of Kagera in Tanzania. The majority of the funds sent to support the work of the Diocese of Kagera and the initiatives of the World Mission Group overseas, are not a charge on the centenary share as they are raised directly from appeals to parishes and individuals. The support for this area provided directly by the Board is not expected to change in 2016.

Diocesan Advisory Committee This is a statutory body set up to give advice on the architecture, archaeology, art and history of places of worship to the diocesan chancellor, the archdeacons and parishes. The committee also considers faculty applications and advises the Chancellor whether or not a faculty should be granted, and also helps churchwardens, parishes and clergy who are planning work to their churches. The costs of administering this area are expected to show a modest increase of £3,000 in 2016.

Tourism This area exists to raise the awareness of residents and visitors of the diocese alike, to the heritage of church buildings in our area and to promote church events. No changes are anticipated to this area of the budget for 2016.

Restricted fund expenditure These are the costs for which income has already been received by the Board and held for specific purposes. It is mostly comprised of the payments made under the Elix scheme to parishes.

Secretariat These costs are for the staff needed to administer the many synodical committees required by the diocese under Ecclesiastical legislation. With all planned staffing changes complete before the start of the year, this budget area is expected to see a modest increase in costs for 2016 of £4,000.

Registrar and chancellor The Diocesan Registrar is a legal officer who provides advice on a number of matters including clergy appointments, consecrations, records, faculties, licenses and patronage. The Diocesan Chancellor presides over the Consistory Court of the diocese, which hears a limited range of cases. The payments to these individuals are laid down by statutory instrument, and a slight increase in costs of £2,000 is expected for 2016.

Audit & professional fees As well as the audit fee, this area encompasses fees for legal advice particularly in respect of staff employment issues. The provision is being held at the same level for 2016 as it was for 2015.

Synod and committees This budget head covers the costs of the many regular synodical committee meetings as well as ad hoc meetings, and any additional working groups set up in the year. Total costs are not expected to vary greatly in 2016 compared to 2015.

Office services This area comprises the provision office accommodation, computer and reception services and personnel support for all the other budget areas.

Accounts The costs in this area mainly relate to staff time, with a modest amount for the accounts computer package. No changes are anticipated in this area for 2016.

Appendix I Analysis of post number and costs

Budget area:	Budget 2016		Budget 2015	
	FTE	£000	FTE	£000
Parochial ministry & curates*	121.7	4,410	124.2	4,424
Other parish ministry (inc archdeacons)	5.8	271	6.4	296
Parish ministry training	5.0	225	5.2	225
Youth & children	1.5	62	1.0	44
Specialist ministry & church buildings**	8.5	425	7.6	364
Governance & administration	11.1	595	12.0	588
Totals	153.6	5,988	156.4	5,941

Summary:	FTE	£000	FTE	£000
Church Commissioners payroll	120.0	4,376	124.5	4,459
DBF payroll	33.6	1,612	31.9	1,482
Totals	153.6	5,988	156.4	5,941

* Included in parochial ministry are 118 stipended clergy, 1.4 parish administrators in lieu of clergy, 1.0 staff administrators, and 1.3 salaried parochial clergy. Numbers are full time equivalents.(FTE)

** The principle cost increase in specialist ministry arises from the appointment of the Local Giving Adviser coordinator, and additional communications staff

Appendix II Draft Clergy Stipends and Allowances

Stipends (with effect from 1 April):	2016/17	2015/16
Incumbents (Regional Stipend Benchmark)	£24,930	£24,425
Curates	£23,650	£23,275
Housing allowance	£10,500	£10,500
Resettlement grant (10% NMS)	TBA	£2,325
First appointment grant	TBA	£2,325
Fees for occasional duty (not office):		
PTO Clergy	£20	£20

Appendix III Mileage Rates from 1 January 2016

Full reimbursement rate: Chairmen and ex-officio members of committees, appointees, officers, interviewees and employees	45p for the first 10,000 miles 25p over 10,000 miles
Lower rate: When first 10,000 miles paid elsewhere – primarily clergy.	25p per mile
Public Transport rate: Members of boards and committees and occasional speakers	30p per mile

Appendix IV DBF Salary Scales

		2015 £	2016 £
Band A	Point 1	Discontinued*	
	2	Discontinued*	
	3	14,200	14,650
	4	14,500	14,700
Band B	Point 1	16,075	16,300
	2	16,575	16,800
	3	17,100	17,350
	4	17,850	18,100
Band C	Point 1	19,550	19,850
	2	20,400	20,700
	3	21,425	21,750
	4	22,550	22,900
Band D	Point 1	23,725	24,100
	2	24,900	25,250
	3	26,175	26,550
	4	27,050	27,450
	5	28,050	28,470
	6	30,775	31,250
	7	33,375	33,900
Band E	Point 1	36,275	36,800
	2	37,600	38,150
	3	39,475	40,050
	4	41,525	42,150
	5	43,675	44,350
Band F	Point 1	45,650	46,350
	2	48,725	49,450
	3	51,000	51,570
	4	53,400	54,200
	5	55,300	56,150
	6	57,125	58,000
Band G	Point 1	59,175	60,050
	2	62,850	63,800
	3	67,075	68,100
	4	71,400	72,450
	5	74,475	75,600

* These bands have been discontinued as they were below the living wage.