



ely2025

DRAFT

Ely 2025

Programme 2017-19

and

Budget Guide 2017

Explanatory Notes

People Fully Alive : Ely 2025

Foreword from Bishop Stephen

I wrote in *Imagining the Future* and have spoken at deanery synods about our commitment to generosity, rigour and transparency in our budgeting and our meeting the costs of mission and ministry through ministry share and our ability to raise income from our inherited assets. We are one body in Christ, called to support one another in sacrificial giving as disciples so that the gospel of Jesus can be shared, the worship and service of the Church can be enriched and so that by these means the Church can grow in depth and number. One Body raises parish share and investment income to create one pot to serve the ministry of every parish as its people proclaim the love of God.

I am thankful that I was in a position to speak as I have done because of the good management of our finances in general and by the exceptional work of those looking after our investments which continued to sustain a good yield during the financial crisis in the previous decade. What we needed to build onto that foundation was a strategy for transformation and growth which would allow us to grow as generous and visible people of Jesus Christ. The wide consultation on the purpose and content of a strategy revealed a clear desire in principle for a strategy and support for the priorities which the consultation revealed. The Ely 2025 strategy was then approved by the Diocesan Synod.

Any strategy is a means to an end. It sets agreed priorities, the action on which can be measured. It offers an open space where authority is accountable. It enables choices about sustained long term commitments in mission and ministry which protect us against initiative fatigue, so our vision is not dimmed by busy work which achieves little for God's kingdom. A good strategy is reviewed so that we can develop our thinking as God leads us into new places. These are the means which serve our deeper purpose which is to nurture a confident people of God and healthy churches which build the kingdom of God and serve the common good of our communities.

As I write this, I am giving thanks to God for the privilege of being ordained thirty years on 29th June, ten of them as a bishop from 22nd June. God's faithfulness and God's revelation of Himself is all that has not changed in that time. The overwhelmingly significant response to the consultation about Ely 2025 focused on what it might be to be fully alive in Christ. People were asking for new opportunities for formation and training as disciples so that they could be more effective in witness and service in changing times, so that we do not miss the inspiration of the Holy Spirit to join in what God is already doing in our midst. However seductive it might seem to stay the same, it is not possible and nor do I believe that it is God's will. Luke 9.51 is a watershed point in the gospel. Jesus turns his face to Jerusalem and all that will be accomplished there. There is no turning back from this messianic momentum; but there are still ten chapters of parables, teaching, healing and calling to bring us to the cross. Ely 2025 is all about serving that messianic momentum of Jesus. We need to invest in being taught, healed and called for own sake and for the sake of others.

This is why we have established the Ely 2025 Fund. Financial prudence has enabled us to establish a rigorously accountable fund for new mission initiatives which is not a burden on the

parish share. We have already made funding available for ministry among and with homeless people in Cambridge through St Paul's Hills Road. I am thrilled about it. It brings together evangelism and serving the common good in a way that has Jesus at the very heart. Thank God.

In the light of the priorities set by the Strategy and in line with my determination to be rigorous and transparent, we have decided to have three-year indicative budgeting for the programme which delivers Ely 2025. Obviously, we still have detailed annual budgets but now each spending department has to account for every budget line in detail to the Finance Committee and then to the Bishop's Council. We have not had this level of accountability before. The funding regime means that the way the budget is set out will be expressed in terms of the levers of change agreed in the Strategy, and not by departments. This will become more obvious in the 2018 budget.

In the five years that I have been your bishop we have all become much more aware both of the cost of the ministry we enjoy and the possibilities of investment in fresh expressions of church. I thank God that our principal investment is in our clergy and our licensed lay ministers who serve and lead us so well. This will remain our main funding ambition.

Our proposal for a Ministry Share increase in 2017-19 is 3% each year. This represents 1.5% for the clergy stipend increase and a matching 1.5% exclusively for new work in mission and ministry to deliver Ely 2025 as agreed by the Diocesan Synod. We have agreed that there be no increase in central costs in this period and we have frozen or stopped rises in any expenditure which does not advance the Strategy.

I appreciate that this uplift will be challenging for some parishes, especially where you are rising to the challenge of meeting your full ministry cost for the first time. We will continue supporting those parishes which genuinely cannot afford to meet these costs. We are one body which supports all its members. I know that you are already offering mutual support in your deaneries and I applaud you for this. I know how sacrificially generous so many of you are. I invite you to go on being generous both in tax efficient giving and in legacies to your parishes.

We are seeking to be imaginative and ambitious in our service of the Lord. It is about taking responsibility for serving God now and enabling the mission of God in the future through the quality of our trusteeship. Because of our established base of financial prudence we are blessed to do this without asking for the levels of ministry share increase which all our neighbouring dioceses must face even to stand still.

We pray to be among the generous and visible people of Jesus Christ in our region, urging each other to grow, deepen and serve. Budgets are not just necessary devices of good financial administration: they reveal what we care about most. Let that be God's will.

With my love in the Lord,



+Stephen



INTRODUCTION BY Sir Hugh Duberly KCVO CBE

On 29 September 2015, we launched the 10 year strategy for growth and renewal in the Diocese of Ely. Our confidence to do so was bolstered by the extraordinary generosity of our parishes in supporting mission and ministry across the diocese. In 2015 you raised over 98% of the ministry share request.

For a number of years, low increases at around the level of inflation have been the norm. This year (and for the first time) the Bishop's Council have approved a three year rolling programme of activity to support the implementation of the Ely 2025 Strategy. These notes show what that rolling programme could look like. The proposed programme - subject to annual scrutiny by Council and Synod - is affordable with a modest 1.5% increase in share (together with a 1.5% increase in 2017 to cover expected inflation).

We recognise that for some parishes this will be a real challenge. For this reason we will be consulting in deaneries about the extent to which some parishes might address our request by reaching a position where the full direct costs of ministry provided can be met.

Ely 2025 will generate many opportunities for growth and renewal in the diocese over the next ten years. The 2017-19 Programme represents our first steps towards implementing our shared vision.

Sir Hugh Duberly
Chair, Finance Committee
Ely 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

Ely 2025: Levers of Change

Lever 1 NURTURE a confident people of God

Lever 2 DEVELOP healthy churches and leaders

Lever 3 SERVE the community

Lever 4 RE-IMAGINE our buildings

Lever 5 TARGET support to key areas

*People Fully Alive : Ely 2025
A strategy for growth (September 2015)*

People Fully Alive : Ely 2025 Programme 2017-19 : Budget 2017

Key Points

- Ministry share continues to cover 100% of direct clergy costs and 15% of the local support costs. The gap is currently covered by investment income.
- Overall ministry share increase of 3%. 1.5% is to offset the 2017 stipendiary inflation increase, the remainder funds new activity approved by the Bishop's Council, for Ministry and Mission programmes to begin the implementation of Ely 2025.
- Following the launch of an Ely 2025 strategy in September 2015, the Bishop's Council approved plans for work to begin on implementation of the Strategy. Since September 2015 we have:
 - Produced and distributed the Ely 2025 Resource Manual to all parishes
 - Held well attended Archdeacon's meetings in all deaneries
 - Selected Bishop's Vacancy Officers to assist parishes in vacancy
 - Created two clergy posts - Bishop's Officers for Market Towns and Vocations
 - Created a fund for parishes (the Ely 2025 Fund) with substantial resources, derived from savings
 - Appointed an experienced Church Buildings Officer to work with parishes as they undertake a review of their buildings.

In 2017, we plan to:

- Develop a Diocesan "rule of life" setting out the core elements of living Christian faith
- Develop fresh expressions of Church supported by the Ely 2025 Fund
- Deploy clergy to new housing areas across the Diocese
- Launch a scheme for interns to be deployed in parishes
- Develop lay leadership vocations and promote alternative terms of leadership in parishes
- Develop and deliver discipleship training to parishes across the diocese
- Support parishes with their buildings audit (including 'non-Church' properties)
- Develop lay and ordained vocations
- Begin a pilot project to revitalise Church in Market Towns
- "Baptism Plus"

These new activities can be funded through redeploying existing resources and by a 1.5% increase in the ministry share request (£84,000).

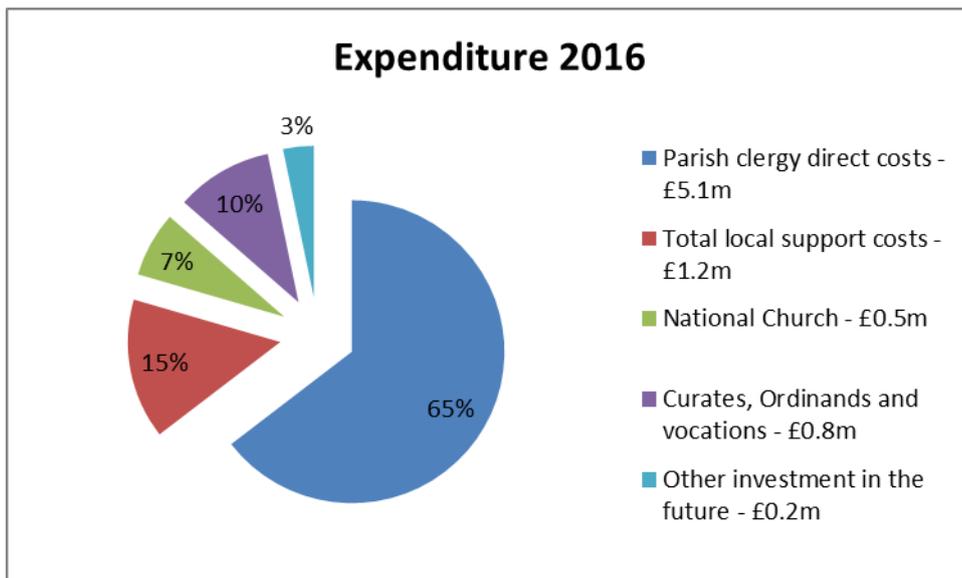
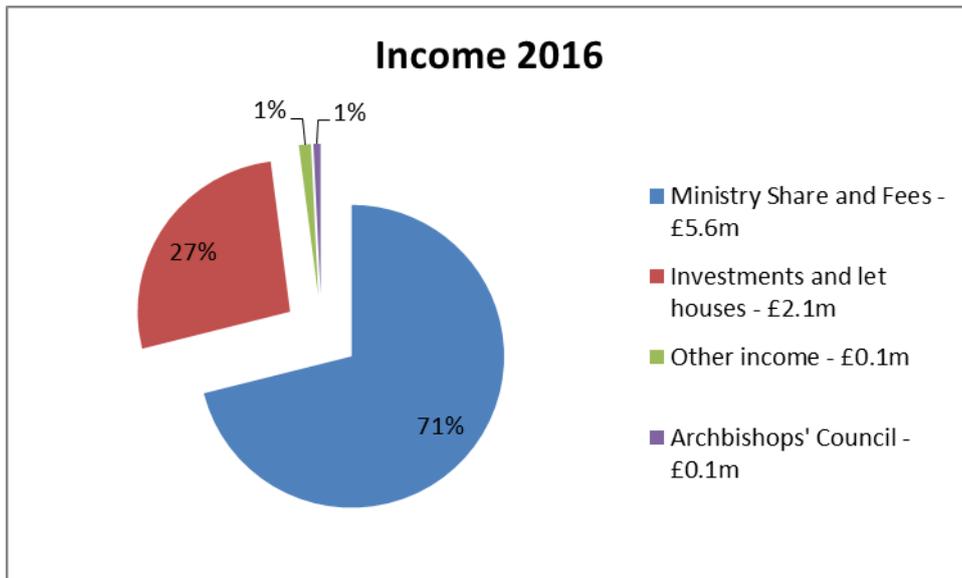
This level of increase is planned for the first three years of implementation of Ely 2025, subject to regular and annual scrutiny by the Bishop's Council and Diocesan Synod. Many deaneries are approaching this request as part of the ongoing closure of the gap between share requests and full direct costs of ministry provided.

DRAFT EDBF FORECAST- 2017 TO 2019					
	Budget 2017	Forecast Increase	Forecast 2018	Forecast Increase	Forecast 2019
3% parish share increase inc. inflation					
Ministry Share	5,710,656	3.0%	5,881,975	3.0%	6,058,435
Estimated Shortfall	-75,150		-77,404		-79,726
DDR Discount	-132,881		-136,867		-140,973
Deanery Discount	-115,162		-118,617		-122,175
	5,387,463		5,549,087		5,715,560
Parish Fees	345,000	0.0%	345,000	0.0%	345,000
Investments inc. Glebe	2,309,773	6.0%	2,447,508	1.7%	2,489,512
Letting income	172,000	0.0%	172,000	0.0%	172,000
Other income	161,000	0.0%	161,000	0.0%	161,000
	8,375,236		8,674,595		8,883,072
Clergy stipends	3,869,641	1.0%	3,996,017	1.0%	4,201,865
Clergy stipends - new posts	73,906	1.0%	149,835	1.0%	75,943
Curates exc. housing	529,073	0.8%	554,759	0.8%	563,800
Curates housing	150,000	0.0%	150,000	0.0%	150,000
Housing exc. Curates	1,096,504	2.0%	1,121,434	2.0%	1,146,862
Clergy other	172,500	0.0%	172,500	0.0%	172,500
	5,891,623		6,144,544		6,310,971
Archdeacon (C)	70,481	1.5%	71,539	1.5%	72,612
Archdeacon (H)	73,271	1.5%	74,370	1.5%	75,486
Ministry	254,175	3.0%	261,800	3.0%	269,654
DDO and Vocations	35,273	3.0%	36,332	3.0%	37,422
Safeguarding/Grants	87,382	1.0%	88,256	1.0%	89,139
Support	126,521	3.0%	130,317	3.0%	134,226
Administration	369,621	0.0%	369,621	0.0%	369,621
Admin salaries	440,349	1.0%	444,752	1.0%	449,200
National Church	570,004	6.0%	604,204	6.0%	640,456
Ordinands Grants	85,000	0.0%	85,000	0.0%	85,000
Mission	350,044	3.0%	360,545	3.0%	371,361
	8,353,745		8,671,280		8,905,148
Totals EDBF	21,491		3,315		-22,077

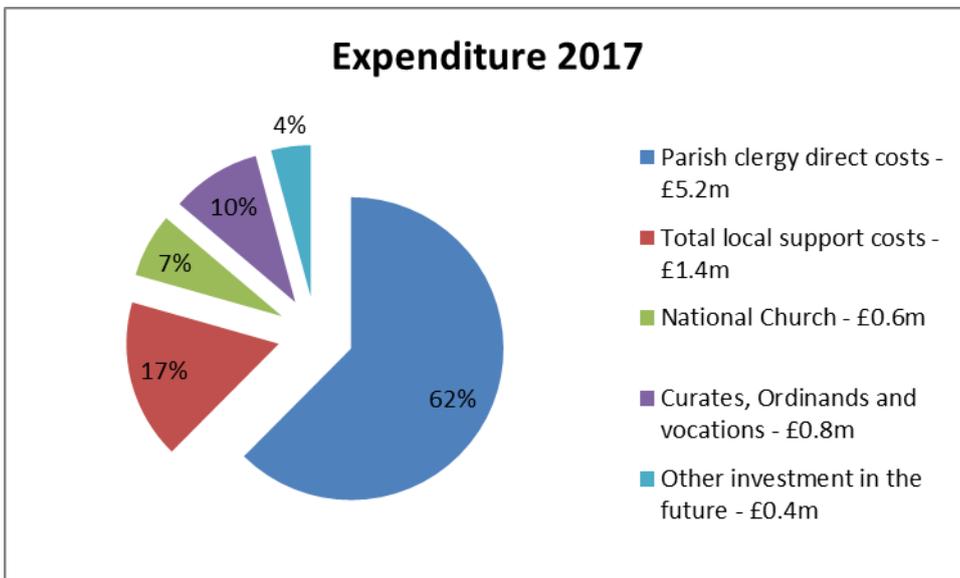
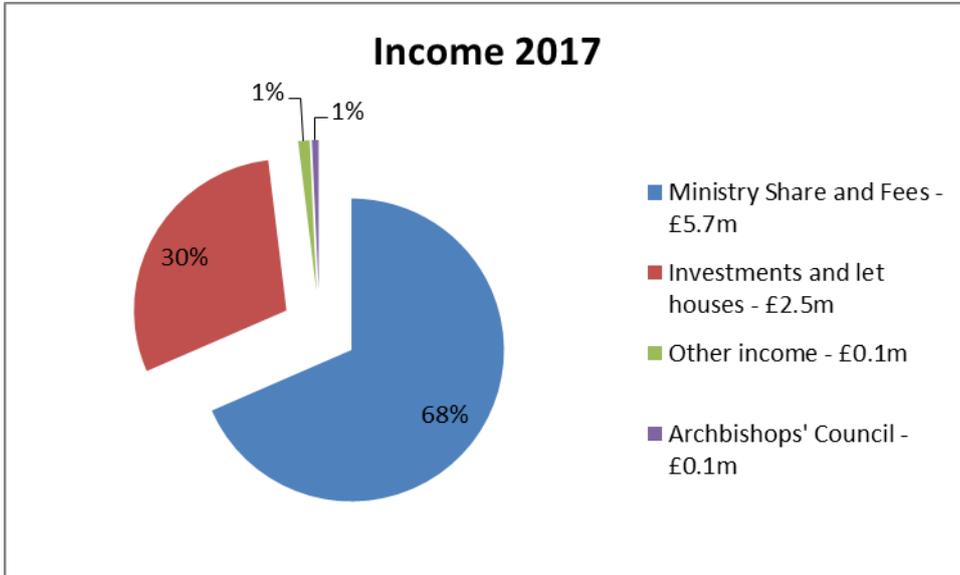
Forecast stipendiary clergy numbers:-

	2015	2016	2017	2018	2019
Stipendiary clergy fte	102	104	106	108	110

2016 Budget



2017 Budget



BUDGET 2017

ELY DIOCESAN BOARD OF FINANCE		DRAFT 2017 BUDGET		
3% parish share increase inc. inflation		version 9 16.06.16		
INCOME				
	2015	2016	2017	
	BUDGET	BUDGET	DRAFT	
			BUDGET	
	£000s	£000s	£000s	
GIVEN BY PARISHES				
Net Ministry Share received	5,167	5,237	5,387	
Parish fees	350	369	345	
	5,517	5,606	5,732	
INVESTMENT INCOME				
Investment income (incl Glebe, net of costs)	1,980	1,949	2,310	
Parsonage letting income (net of costs)	130	172	172	
	2,110	2,121	2,482	
OTHER INCOME				
	170	161	161	
TOTAL INCOME	7,797	7,888	8,375	
EXPENSES				
PARISH CLERGY DIRECT COSTS				
	4,958	5,059	5,213	
LOCAL SUPPORT COSTS				
LOCAL SUPPORT COSTS	545	540	612	
DIOCESAN OFFICE COSTS	620	633	810	
TOTAL LOCAL SUPPORT COSTS	1,165	1,173	1,422	
CONTRIBUTION TO NATIONAL CHURCH				
	524	545	570	
INVESTMENT IN THE FUTURE				
	1,108	1,060	1,149	
TOTAL EXPENSES	7,755	7,837	8,354	
(DEFICIT)/SURPLUS	42	51	21	

EDBF BUDGET - 2017

Assumptions

Ministry share	1.5% inflationary increase 1.5% for Ely 2025 implementation Collection rate remains at the same level (98%)
Letting income	no change from 2016
Other income	no change from 2016
Investment income	up 12% following expected completion of land sales
Stipends	104 clergy, increasing to 106 in 2017 Clergy stipends increase 1.26% for 2016/17 Clergy stipends increase 1.50% for 2017/18 Curate numbers remain the same at 15 Curates stipends increase 0.80% for 2017/18
Housing	2% increase from 2016
Clergy other costs	no change from 2016
Archdeacons	costs increase by 1.51%
Salaries	pay rise of 1.10% as of 01/04/2016
DDO and Vocations	no change from 2016
Support costs	no change from 2016
Ordinands grants	assume marginal uplift
Mission and Ministry	3% costs increase Ely for 2025 implementation (see page 6 for details)

What's what ...

These notes describe the main areas of income and expenditure in the 2017 proposed budget.

Income

- Ministry Share is increased by 3% and no reduction in the rate of collection is anticipated for 2016 and 2017
- Investment income: the Assets Committee continues to seek to maintain a 5% increase in income each year over and above the level of inflation.
- Parsonage letting income is expected remain steady

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 2017 the budgeted number of stipendiary posts is 106. The posts are a mix of parochial stipendiary posts, other stipendiary clergy and pioneer posts. The 2017 figure of £5,213k represents stipends, pension, national insurance contributions, housing, removals and resettlement grants and costs of vacancies. 62% of the budgeted expenditure relates to the direct costs of clergy.

The 2017 budgeted figure is calculated to reflect a 1.5% stipend increase from 1 April 2017, 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, 17% of the budget is spent on these operational items; it is set at a slightly higher figure than the 2016 budget as it incorporates an increase in the costs of Ministry to support the Ely 2025 strategy. All expenses incurred by the Bishop and his office are paid by the Church Commissioners and are not included in this budget. The Cathedral is also directly funded by the Church Commissioners and not by the Diocese.

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
- Parsonage maintenance
- Church Buildings Support (work carried out in-house)
- Board and Committee expenses
- Communications and Public Relations
- Audit and accountancy advice, finance, gift aid support, trusts administration
- Legal advice

Wherever possible, costs are being held at 2016 levels, although salaries have been adjusted where the 2016 budget did not represent the current staffing structure.

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 Archbishop's' Council has made a commitment to keep costs down. The average budget increase per diocese has been set at 3.5% nationally.

Investment in the Future

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

The 2017 budget is for 15 curates (as for 2016). Overall, 14% of the budget is spent on these operational items; it is set at a slightly higher figure than the 2016 budget as it incorporates an increase in the costs of Mission to support the Ely 2025 strategy.

Surplus

As a charity and 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 2015 surplus was attributed to better than expected investment income, lower local support costs and some savings in staff costs at the Diocesan Office. It has been made available to parishes under the auspices of the Ely 2025 Fund.

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 for 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 £2.04m. Currently, the level of free reserves stands at £2.56m.

CONTACT

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

Paul Evans, Diocesan Secretary,

Diocese of Ely, Diocesan Office, Barton Road, Ely, Cambridgeshire CB7 4DX

Tel: 01353 652702 Email: paul.evans@elydiocese.org

This guide is also available on the diocesan website.

www.elydiocese.org