

FINAL



ely2025

ELY2025
Programme 2019-21
and
Budget Guide 2019

Explanatory Notes

April 2018

People Fully Alive: ELY2025

Foreword from Bishop Stephen

“Give, and it will be given to you. They will pour into your lap a good measure - pressed down, shaken together, and running over. For by your standard of measure it will be measured to you in return.” (Luke 6.38)

I want to express my thanks in anticipation at the beginning of the Budget Guide. I am so grateful for all the faithful stewards and givers across the whole Diocese. I thank God for all of you whose regular giving makes all our endeavour for the Gospel possible. Bearing the sustained increase in Ministry Share of 3% means that we are able to meet the annual uplift in the clergy stipend as well as serve our ambitions for delivery in accord with our diocesan strategy.

The Guide sets out all the demand with real clarity. Not only do we know where the money is being spent we can check it against the levers which direct the budget. I want to thank Canon Brian Atling, Paul Evans, Lorraine Orbell, James Owen and everyone who has been involved in the production of the Guide.

Their painstaking work reveals how the budget is how we responsibly set out our ambitions in financial terms for the year ahead. The budget represents our key investment in our clergy and other ministers, in vocation development across the board, in mission and evangelism, and our support for fresh expressions and our blended economy of traditional and new forms of church. We always work to reduce the cost of running our administration so that the money is released for allocation, for instance, to our Growth Fund and Local Mission Fund.

Our budget process helps us develop a viable plan for the implementation of ELY2025. Now that we have a strategy, we can assure each other that, rather than good money going after bad, we have sacrificially given money enabling the development of disciples of Jesus who live a life of holiness before God, assisted by the resources offered in The Way of Life.

The Budget Guide sets in train the collaborative process which engages all of us in the discussion and decision about the budget for 2019. The life and energy of the Holy Spirit is brimming over in our lives. As Bishop Curry reminded us at the wedding of the Duke and Duchess of Sussex, we can experience the power of love in our openness to the heart of Jesus. I am so glad that that fruitfulness is evident in our stewardship and in our growing confidence in what we can achieve in God’s name.

Thank you for all your generosity.

+ Stephen

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

ELY2025: 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 : ELY2025
A strategy for growth (September 2015)*

People Fully Alive : ELY2025 Budget 2019

Key Points

- **Ministry share** covers 91% of direct clergy costs for existing clergy and curates. Investment income covers the balance of direct clergy posts, the cost of new clergy posts and 100% of the local support costs.
- **Overall ministry share increase of 3%**. 2.5% is to offset the 2019 stipendiary inflation increase, the remainder funds new activity approved by the Bishop's Council, for Ministry and Mission programmes to continue the implementation of ELY2025, including the establishment of the ELY2025 Programme Management Office (part-funded by the Church Commissioners)

People Fully Alive: ELY2025 has given direction and purpose for our decision making.

In 2017/18 we appointed

- Lisa Tulfer, Bishop's Officer for Lay Learning and Formation
- Adam Evans, Strategic Programme Manager (post supported by external funding)
- Martin Kenward, Projects and Development Officer
- Holly Isted, Historic Buildings Support Officer (post supported by external funding)

In 2018 we have been working on

- *The Way of Life* - rolled out on Maundy Thursday at the Chrism Eucharist
- Launching the Wisbech Learning Community
- Growing the Parish Giving Scheme across the Diocese
- The national pilot of "Setting God's People Free" (Lay Mobilisation)
- The delivery of Twelve Deanery Roadshows
- The training 14 Licensed Lay Ministers
- The deployment of 6 Pioneer Partners
- 73 new Toddler groups
- 7 new Children and Family workers, funded by the ELY2025 Growth Fund
- 13 ELY2025 Growth Fund Awards (£0.4m over 3 years)
- Support for 54 Messy Churches throughout the Diocese
- The addition of 1000 children from 700 families to our church school communities
- The 30 schools now academies in DEMAT
- A second Lent Course

In 2019 the following work streams will contribute to our thinking

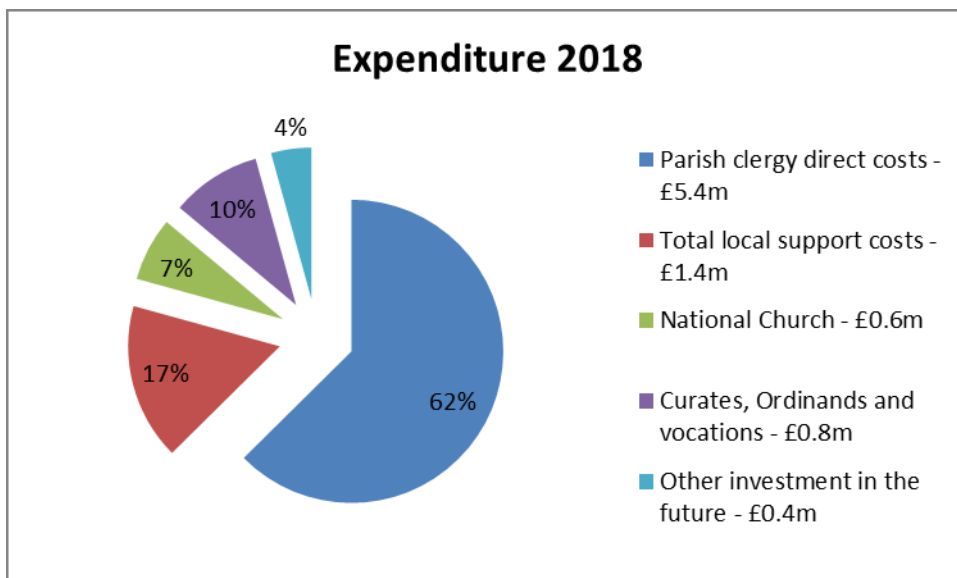
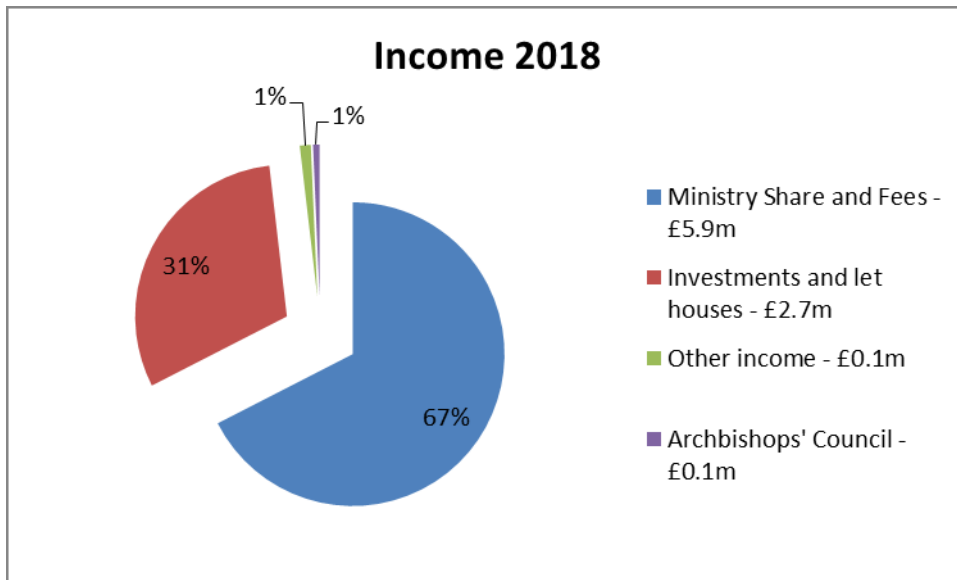
- The Buildings Audit and business potential survey, working with The Judge Business School
- A deployment strategy in the face of an anticipated reduction in the number of clergy by 40%

These activities can be funded through the redeployment of existing resources and by a 0.5% increase in Ministry Share (£29k). This is the second level of increase planned for the first three years of the implementation of ELY2025, subject to regular scrutiny by the Bishop's Council and Diocesan Synod. In 2017 the Diocese of Ely raised over 98% of the amount requested for Ministry Share.

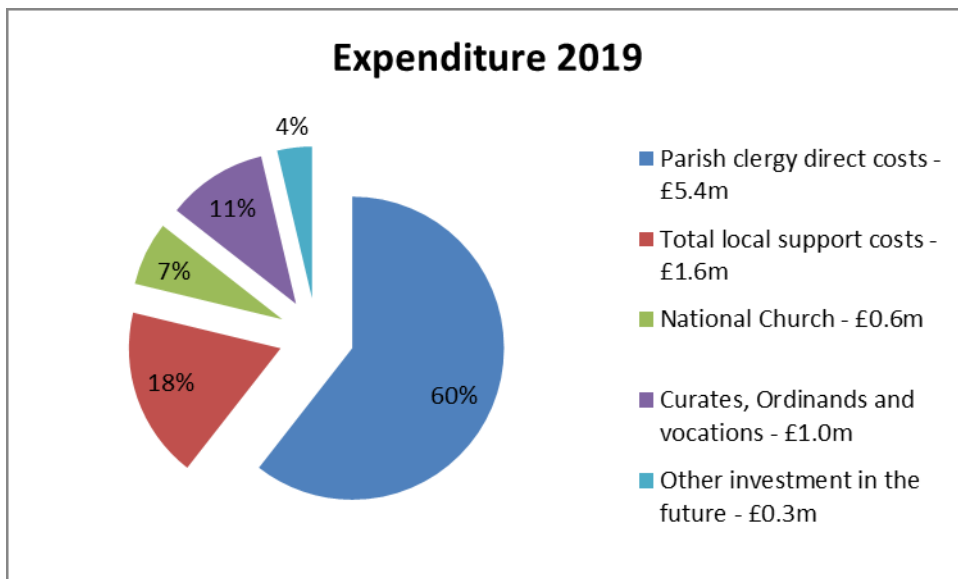
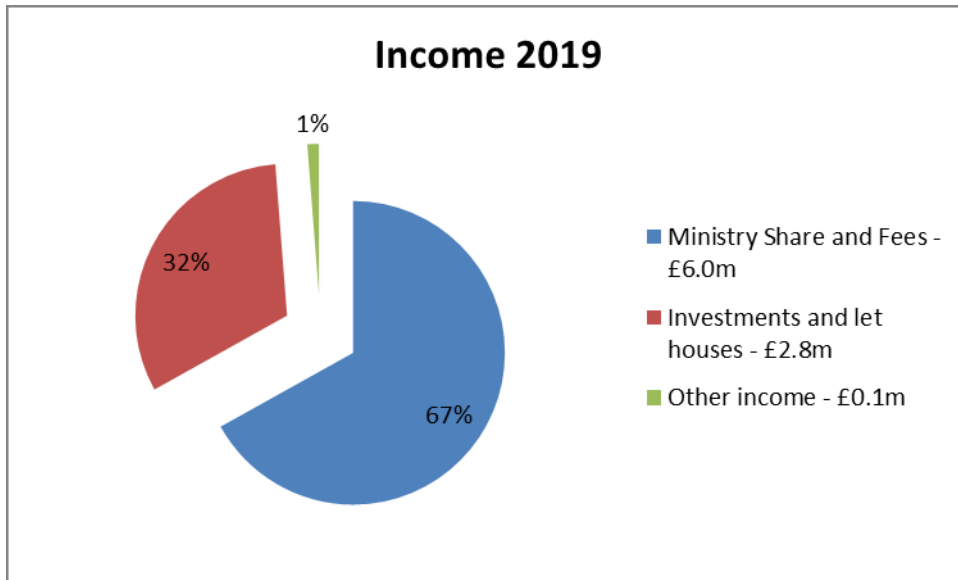
EDBF BUDGETS - 2019 to 2021						
3% parish share increase	2019	Increase	2020	Increase	2021	Increase
	Budget	for 2018	Forecast	for 2019	Forecast	for 2020
		%		%		%
EXPENDITURE						
Clergy stipends	3,966,622	2.5%	4,015,707	2.5%	4,114,064	2.5%
Clergy stipends - new posts	153,888	0 posts	157,654	0 posts	161,511	0 posts
Clergy stipends - Diocesan posts	25,972	2.5%	39,414	2.5%	40,378	2.5%
Curates exc. housing	602,903	2%	598,134	2%	613,729	2%
Curates housing	175,000	17%	190,000	9%	190,000	0%
Housing exc. Curates	1,111,862	2%	1,122,599	2%	1,148,851	2%
Clergy other	180,500	4.6%	184,110	2%	187,792	2%
	6,216,746		6,307,618		6,456,325	
Archdeacon (C)	73,327	2.5%	74,794	2%	76,290	2%
Archdeacon (H)	76,230	2.5%	77,754	2%	79,309	2%
Ministry	308,975	15%	318,244	3%	352,791	3%
DDO and Vocations	51,949	7%	53,507	3%	55,113	3%
Safeguarding	131,846	7%	133,164	1%	134,496	1%
Registry/Legal costs	164,223	30%	164,614	3%	145,000	3%
Comms/IT/Office running costs	348,828	11%	348,828	0%	348,828	0%
Admin salaries	534,078	16%	515,959	2%	526,279	2.0%
National Church	610,603	3.5%	631,974	3.5%	654,093	3.5%
Ordinands Grants/RME	133,293	33%	135,959	2%	138,678	2%
Mission	331,682	14%	341,633	3%	351,882	3%
TOTAL EXPENDITURE	8,981,779		9,104,048		9,319,083	
INCOME						
Parish Fees	345,000		345,000		345,000	
Invest income Gen. & Glebe	974,999)		987,487)		1,000,228)	
Invest income Stipends Fund	1,548,725	5%	1,518,335	2%	1,638,536	5%
Invest income DPA	114,577		116,819		119,105	
Letting income	225,000		225,000		225,000	
Other income	111,000		111,000		111,000	
	3,319,301		3,303,641		3,438,869	
Surplus of expenditure over income	5,662,478		5,800,407		5,880,214	
MINISTRY SHARE INCOME						
Ministry Share	5,938,540	3%	6,116,696	3%	6,300,197	3%
DDR Discount	(146,121)		(150,504)		(155,019)	
Deanery Discount	(121,872)		(125,529)		(129,294)	
MINISTRY SHARE TOTAL	5,670,547		5,840,664		6,015,883	
NET SURPLUS/(DEFICIT) FOR YEAR	8,069		40,257		135,669	
Forecast stipendiary clergy numbers						
Stipendiary clergy fte posts	117.5		117.5		117.5	
Stipendiary clergy fte budget	108.0		108.0		108.0	
Curates fte	17.0		19.0		20.0	

The 3% increases in Ministry Share forecast for 2020 and 2021 are for illustrative purposes only, as these percentages have not yet been agreed. They will be adjusted in the light of C.P.I. which is currently forecast to be in the region of 2.3%.

2018 Budget



2019 Budget



BUDGET 2019				
ELY DIOCESAN BOARD OF FINANCE				
				2019 BUDGET version 11
3% parish share increase inc. inflation				(exc. Market Towns)
INCOME				
	2017 BUDGET	2017 ACTUAL	2018 BUDGET	2019 DRAFT BUDGET
	£000s	£000s	£000s	£000s
GIVEN BY PARISHES				
Net Ministry Share received	5,387	5,375	5,515	5,671
Parish fees	345	337	345	345
	5,732	5,712	5,860	6,016
INVESTMENT INCOME				
Investment income (incl Glebe, net of costs)	2,310	2,228	2,492	2,638
Parsonage letting income (net of costs)	172	296	172	225
	2,482	2,524	2,664	2,863
OTHER INCOME				
	161	113	161	111
TOTAL INCOME	8,375	8,349	8,685	8,990
EXPENSES				
PARISH CLERGY DIRECT COSTS				
	5,213	4,887	5,434	5,439
Local Support Costs	612	594	665	755
Diocesan Office Costs	810	838	785	883
TOTAL LOCAL SUPPORT COSTS	1,422	1,432	1,450	1,638
CONTRIBUTION TO NATIONAL CHURCH				
	570	570	590	611
INVESTMENT IN THE FUTURE				
	1,112	1,031	1,209	1,295
Pension deficit & other costs		307		
TOTAL EXPENSES	8,316	8,227	8,683	8,982
(DEFICIT)/SURPLUS	59	122	2	8

<u>EDBF BUDGET- 2019/2020/2021</u>	
<u>ASSUMPTIONS</u>	
Inflation rate	Inflation assumed to be stable at 2.5% though until 2020 OFNS 12-month inflation rate was 2.8% in September 2017 (CPI)
Ministry share	3% increase in parish share including inflation for 2019 and 3.0% thereafter collection rate remains above 98%, the same level as 2016
Parochial fees	assumed stable but this income may potentially reduce
Investment income	detailed assumptions from Jon Green incorporated but £60k added 2019 for Linton
Letting income	reducing from 2018 budget as more properties needed for Curates
Other income	reduced by Mission Development Funding £60k from 2017 budget
Stipends	106 clergy posts, increasing to 108 in 2018, staying at 108 until 2021 clergy stipends increase 2.0% for 2018/19 (0.5% below inflation) clergy stipends increase 2.5% for 2019/20 onwards but could be up to 3.2%
Curates	curate numbers increase to 16 in 2018, 18 in 2019 and to 20 by 2020 curates stipends increase by 1.3% for 2018/19 and 2.0% for 2019/20 onwards
Housing	2% compounded increase on 2018 budgeted figure
Clergy other costs	small increase from 2018 budget as more clergy
Archdeacons	costs increase by 2.5% annually, main cost is stipends
Salaries	payrise of 1.5% as of 01/04/2018 and 01/04/2019 staffing has increased by 2.5 fte over the 2018 budget no additional staffing increases for 2019 payrise of 2.0% as of 01/04/2020 increased lay staff DBS pension contributions included from 2019
Pension scheme	£264k deficit on the Defined Benefit Scheme provided for 2017 accounts assumed there will be a further deficit arising in 2019 but not provided for
Ministry	figures as per Ministry budget bid paper but budget cut by £50k
DDO and Vocations	increase of 3% on 2018 estimated costs additional DDO 0.5 fte post as from 2019 not provided for
Safeguarding	additional staffing and DBS fees increased from 2017 anticipated marginal increase in fte staff training requirements of National Church
Legal and DAC costs	other legal fees increased from 2017 budget (HR advice and Trusts review) addition of Historic Places of Worship Support Officer (0.5 externally funded)
Administration costs	no change from 2017 budget for office running and property costs infrastructure/IT renewal and general communications budget cut by £25k
National Church	3.5% limited increase as per Archbishops' Council
Ordinands grants	budget now includes sums to make up the shortfall in the RME Funding assumes no increase in number of ordinands being trained - currently 27?
Mission	figures as per Mission budget bid paper but budget cut by £35k
Pioneer Exchange	continue with 6 Pioneer Partners (2 in Mission and 4 in Market Towns)

What's what ...

These notes describe the principal areas of income and expenditure in the 2019 proposed budget.

Income

- Ministry Share is increased by 3% and no reduction in the rate of collection is anticipated for 2019
- Investment income: The Assets Committee seeks to maintain a 4.5% 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 2019 the budgeted number of stipendiary posts is 108. The posts are a mix of parochial stipendiary posts, other stipendiary clergy and pioneer posts. The 2019 figure of £5.439m represents stipends, pension, National Insurance contributions, housing, removals/resettlement grants and the costs of vacancies. 61% of the budgeted expenditure relates to the direct costs of clergy.

The 2019 budgeted figure is calculated to reflect a 2.5% stipend increase from 1 April 2019, a figure set by the National Church.

Local (Clergy and Parish) Support Costs

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

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

Overall, 18% of the budget is spent on these operational items; it is set at a slightly higher figure than the 2018 budget to incorporate an increase in the costs of Ministry to support the ELY2025 strategy. All expenses incurred by the Bishop and his office are paid by the Church Commissioners and are not included in this budget. Likewise, the Cathedral is 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 and maintenance
- 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 2018 levels, although salaries have been adjusted where the 2018 budget did not represent the current staffing structure. Parsonage maintenance cost rises are running ahead of inflation.

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
- Bishop's Officer for Growing Vocations
- Bishop's Change Officer for Market Towns
- 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 2019 budget is for 17 curates (15 for 2018) in line with National Church Guidelines for increasing numbers. Overall, 145 of the budget is spent on these operational items; it is set at a slightly higher figure than the 2018 budget as it incorporates anticipated changes in the costs of Ministerial Education, particularly residential training.

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 small surplus, while in earlier years deficits have been incurred. The 2017 budget outcome was attributed to better than expected investment income, lower local support costs and some savings in stipendiary costs at the Diocesan Office. It has been made available to parishes under the auspices of the ELY2025 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 £1.69m.

CONTACT

If you have any comments or would like more 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