

Archbishop's Council

Residential

18/19 January 2019



Diocese of Canterbury

CHANGED LIVES ⊕ CHANGING LIVES

Understanding the Budget

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Diocese of Canterbury

CHANGED LIVES ⊕ CHANGING LIVES

Bringing Meaning to the Numbers!

- Taking a somewhat different approach to presenting the budget
- Want to make it as meaningful as possible
- Also want to set out the financial health of the Diocese
- NOTE: The overall budget is set for 2019 but have yet to finalise the detailed budget allocation for each team and function

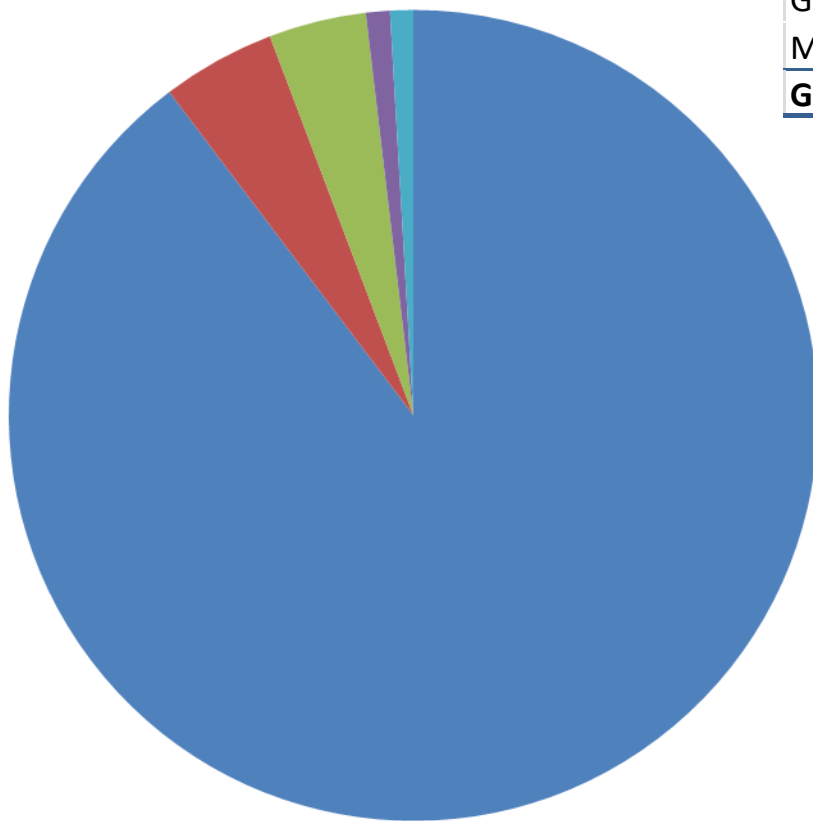


How Big is our Budget?


- Headline budget is £10.3M
- £0.7M from Church Commissions to support mission in disadvantaged areas
 - Effectively just passes through our budget
 - Will therefore not show it in the following slides
- Net budget is therefore £9.6M








Income



Parish Share	£8,621K	90%
Parochial Fees	£436K	5%
Investment, rental etc.	£374K	4%
Grants	£92K	1%
Management Fee for Channel Islands	£89K	1%
Grand Total	£9,612K	100%

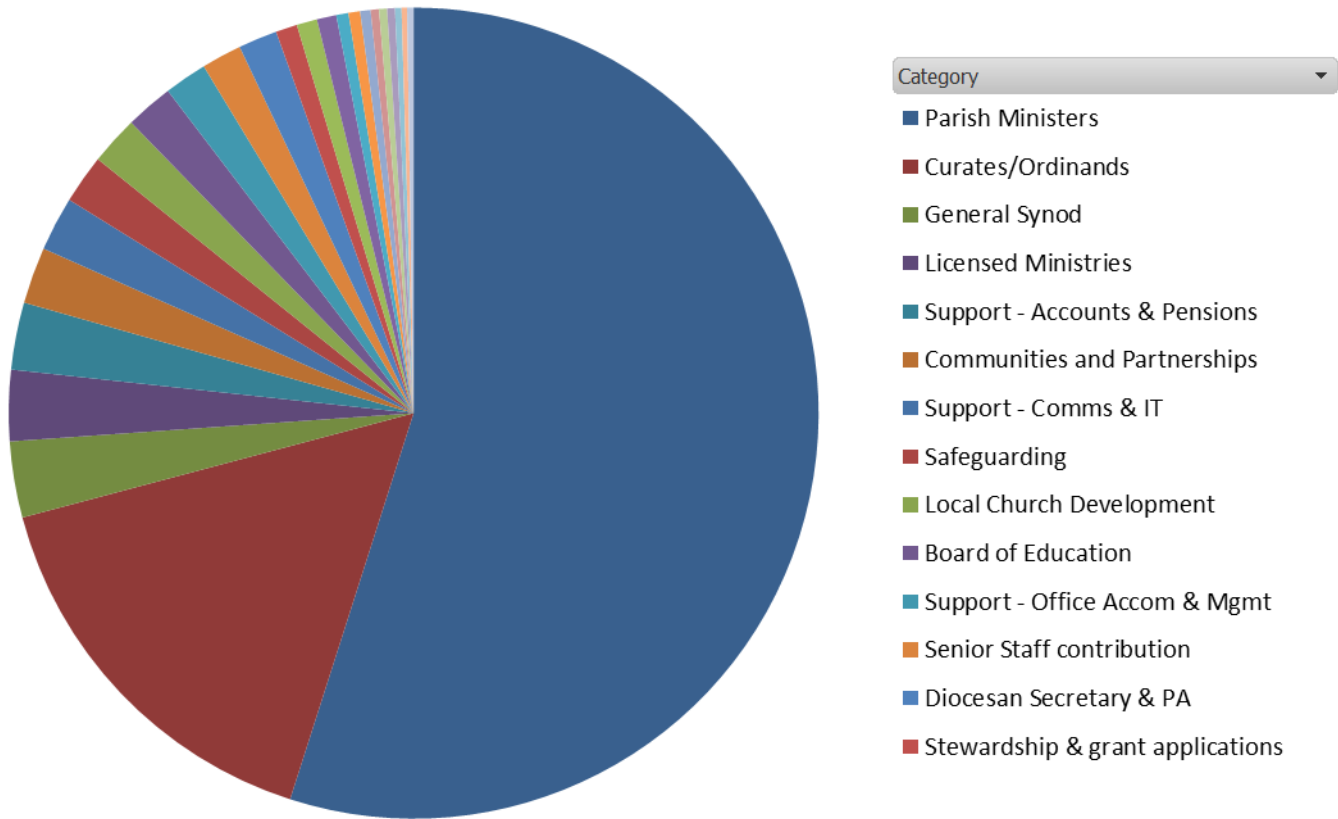
Category 

-  Parish Share
-  Parochial Fees
-  Investment, rental etc.
-  Grants
-  Management Fee for Channel Islands

90% of our income comes from Parish Share.
5% of our income comes from Parish Fees.



Expenditure



Nearly three-quarters of our expenditure is on parish ministers and the training pipeline that feeds it.

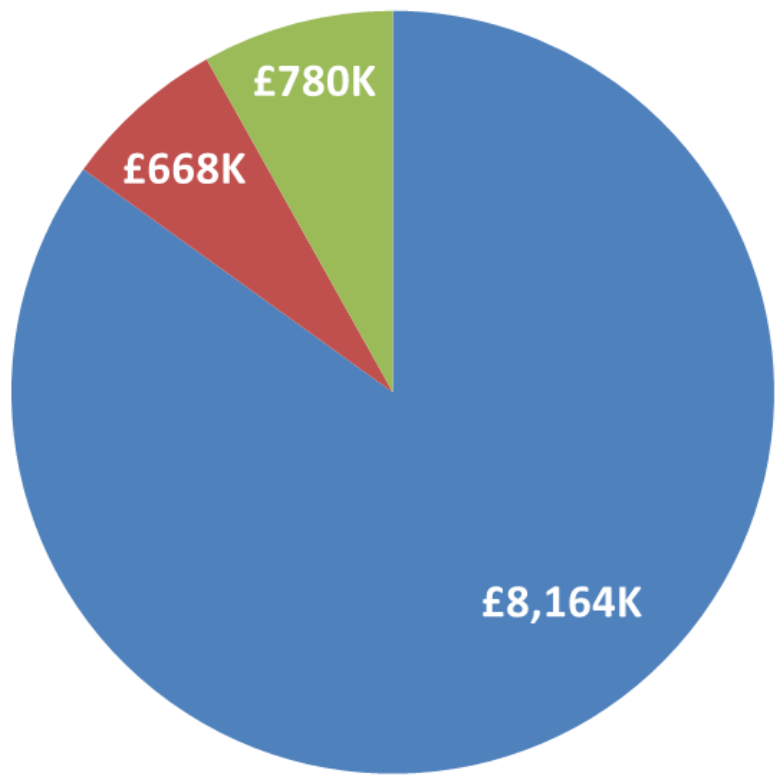


Another Expenditure Perspective


- **Mandatory**
 - Core purpose of the Diocese
 - Legal or other requirements
- **Essential**
 - Essential to the life and work of the Diocese
 - Cannot run without these
- **Discretionary**
 - We have a choice of whether we do these or not
- **NOTE: A first attempt at doing this!**






Summary



Mandatory	£8,164K	85%
Essential	£668K	7%
Discretionary	£780K	8%
Grand Total	£9,612K	100%

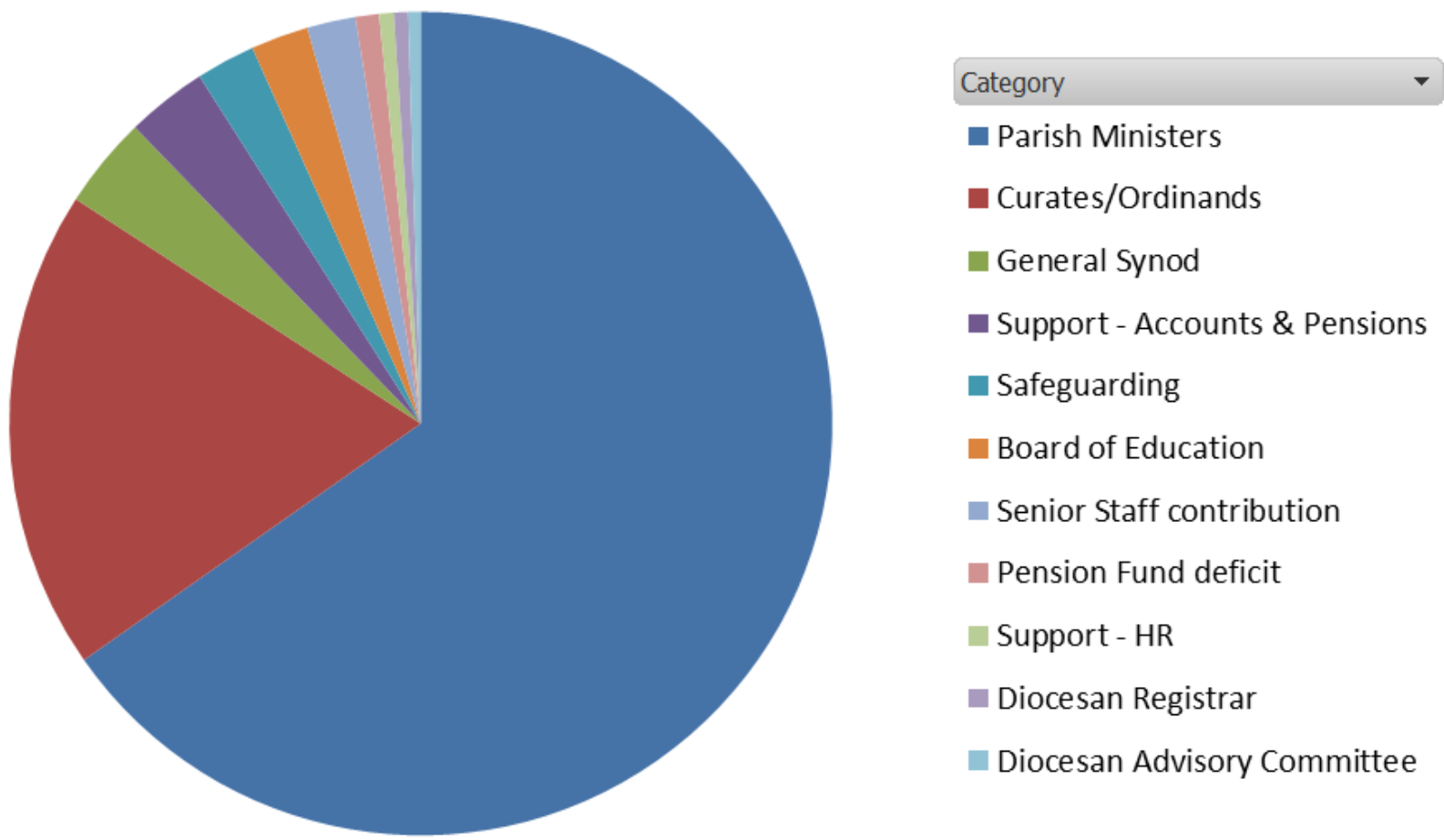
Requirement 

-  Mandatory
-  Essential
-  Discretionary

85% of current cost base is for things we must do. Only 8% is discretionary.



Mandatory Expenditure



Mandatory Expenditure

Parish Ministers	£5,308K
Curates/Ordinands	£1,538K
General Synod	£293K
Support - Accounts & Pensions	£259K
Safeguarding	£189K
Board of Education	£184K
Senior Staff contribution	£155K
Pension Fund deficit	£75K
Support - HR	£47K
Diocesan Registrar	£45K
Diocesan Advisory Committee	£40K
Pastoral Secretary (Re-organisations)	£31K
Grand Total	£8,164K



Essential Expenditure

Licensed Ministries	£273K
Support - Comms & IT	£209K
Support - Office Accom & Mgmt	£165K
Meeting expenses (Synod, ABC, etc.)	£21K
Grand Total	£668K










Discretionary Expenditure

Communities and Partnerships	£218K
Local Church Development	£188K
Diocesan Secretary & PA	£150K
Stewardship & grant applications	£83K
Children and Youth Ministry	£79K
Faculty Fees	£32K
Deanery Grant	£30K
Investment in Strategy	£25K
Planned Savings	-£25K
Grand Total	£780K



Key Risks

Risk	Direction of Travel
Failure to collect full Parish Share	
Pension Fund deficit (Clergy & Lay)	
Security or data breach	
Historical Safeguarding issue	
Current Safeguarding issue	
Inadequate working capital	
Inflation higher than estimated	
Negative impact of Brexit?	