

**Canterbury Diocesan Board of Finance**  
**Proposed Budget 2024**  
**Forecasts 2025 and 2026**

**Proposed Budget 2024**

Please find attached the updated proposed budget for 2024.

I have assumed the same 5.0% increase in stipends and staff salaries from 1 April 2024 as in the indicative budget, given the continuing cost of living crisis and the need to pay a stipend that meets the cost of living and staff salaries that keep pace with increasing costs.

Whilst the inflation that has affected fuel prices, both heating and petrol/diesel, has abated somewhat (but still remains uncertain), food cost inflation remains very high and of course the historic inflationary increases are now “baked-into” current costs irrespective of what future inflation may be.

As I remember saying last year, when inflation starts rising it tends to rise quicker and stay higher for longer than expected. In the UK core inflation (which excludes volatile items – energy, food, alcohol and tobacco) was 6.2% in the year to August, which although lower than expectations, remains a concern. The Bank of England base rate has now risen to 5.25% and with 10-year government bond yields at around 4.4% further increases in base rate are possible to bring inflation under control, although the Bank did not raise base rate at its September meeting.

The 5.0% increase in stipends and staff salaries in 2023 and the proposed 5.0% increase in 2024 probably results in a lower standard of living, especially when the backdrop of tax allowances remaining unchanged is factored into a highly inflationary environment.

After many years we were able to raise the level of Canterbury stipends to the National Stipend Benchmark and from 1 April 2022 we have been nearly 1% above the NSB.

The attached budget shows the effect of the stipend being increased to £30,363 from 1 April 2024. This remains nearly 1% above the NSB which will be £30,066 from 1 April 2024. Pension costs are known as they are based on the National Minimum Stipend from 1 April 2023, assuming no change in the pension contribution rate of 28%. We have assumed 10 full-time vacancies. Resettlement grants, removal costs and clergy fees in vacancy have reduced and the training curates budget reflects the full expected cost for curates including robing grants. We no longer use a preferred supplier for removals; this has led to a reduction in the average removal cost from over £3,000 to an average of £2,600 per move. The budget for housing has increased by 10.7% overall. This includes a 5.0% increase in the direct property spend, a 6.0% increase in water rates and council tax and greater increases in premises insurance and empty property heating costs.

Curate costs include the full costs of training that we expect to fund. The budgeted cost for 2024 is £809,960 compared with £616,897 for 2023. This is the most significant increase in the overall support costs budget. The 2024 budget includes 6 stipendiary starters in 2024 and a further 8 self-supporting. All curates receive a robing grant, and stipendiary curates also receive a relocation grant and removal costs.

There is a significant £37k increase in ordinand grants due to the mix of ordinands starting training in 2023, offset to some degree by a £20k decrease in the pooling costs from the National Church.

The Social Justice Network grant has decreased as some costs previously covered by the former Communities and Partnerships framework are now included within other areas e.g. Care for the Environment is now within our strategy. The Children and Young People framework has an increase in costs of 5.0%.

Episcopal and Archidiaconal Oversight costs have risen due to housing, stipend and salary increases.

Support services consist of a combination of budget reallocations, additional resources and cost savings resulting in a net increase of 3.0%, despite a 5.0% increase in staff costs being included.

£85,000 has been allocated for strategic projects, including Care for the Environment and deanery grants have been halved to £15,000 as only these deaneries who can justify a grant are likely to be awarded one in 2024 (or 2023).

Unrestricted income reflects the higher rental income we expect.

Overall, the increase in Parish Share is 3.4% in monetary terms but it is more helpful to think of a **3.1% increase in the direct ministry cost and a 5.4% decrease in shared costs, excluding the mission and ministry framework**. However, once the mission and ministry framework costs are included, and mainly due to the increase in curate and ordinands investment, the increase in shared costs, per the Parish Share formula, is 5.8%.

### ***Forecasts 2025 and 2026***

As requested by Synod I have included projections for 2025 and 2026. These are of necessity high-level as devoting considerable time to detailed forecasts would, in my opinion, add no real value to the overall position. As such I have assumed no change in fixed assets, investment values, working capital (other than cash) and long-term creditors. Although there are planned property transactions in the pipeline the timings of these can be uncertain.

I have provided some high-level forecasts of restricted and endowment fund movements and assumed a shortfall in Parish Share receipts, reflected as “net cash used in operating activities” in the projected statement of cash flows.

The budget for 2024, as in recent years, assumes a break-even budget in the expectation that all parishes will meet their Parish Share request in full. However, we know that these expectations are not always met by some parishes and in such cases the diocese funds the shortfall from its own resources. The cash flow projections for 2023-2026 reflect net cash used in operating activities as a decrease in cash. This is effectively the expected shortfall in Parish Share receipts. The annual Parish Share shortfall is expected to decline over time as the three bold outcomes of our strategy develop and result in increasing generosity.

Doug Gibb  
Director of Finance  
23 October 2023

**Canterbury Diocesan Board of Finance**  
**Parish Share - Proposed Budget 2024 and Forecasts 2025 and 2026**

	<u>Budget</u> <u>2022B</u>	<u>Budget</u> <u>2023B</u>	<u>Budget</u> <u>2024B</u>	<u>Forecast</u> <u>2025F</u>	<u>Forecast</u> <u>2026F</u>
	£	£	£	£	£
<b><u>The cost of each Parish Priest whether Vicar, Rector, Associate Priest etc will be:</u></b>					
Stipend	27,203	28,573	30,002	31,502	33,077
Employment taxes	2,556	2,639	2,700	2,835	2,977
Pension	6,935	7,127	7,413	7,784	8,173
Saving from 10 (2023-8) FTE vacancies on ministry cost	(3,075)	(2,720)	(4,024)	(4,225)	(4,436)
Resettlement grants, removal costs & clergy fees in vacancy	0	931	629	629	629
Housing Repairs and Maintenance	7,427	9,802	10,985	11,809	12,695
Council Tax and Water Rates	2,833	2,833	3,003	3,183	3,374
<b>Total Budget Unit Cost</b>	<b><u>43,879</u></b>	<b><u>49,185</u></b>	<b><u>50,708</u></b>	<b><u>53,517</u></b>	<b><u>56,488</u></b>
<b>% change</b>			<b>3.1%</b>	<b>5.5%</b>	<b>5.6%</b>

**The number of Parish Posts (Headcount) we are expecting to fund are:**

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
Full-Time	95.99	97.10	92.67	93.00	93.00
Part-Time 19 posts (17 (sic) houses but the equivalent of 6.7 FTE stipends)	14.10	13.00	19.00	19.00	19.00
(2023B - 13 houses but the equivalent of 3.90 FTE stipends)					
<b>Total Headcount</b>	<b><u>110.1</u></b>	<b><u>110.1</u></b>	<b><u>111.7</u></b>	<b><u>112.0</u></b>	<b><u>112.0</u></b>
<b>Total FTE</b>	<b><u>102.3</u></b>	<b><u>101.0</u></b>	<b><u>99.4</u></b>	<b><u>99.7</u></b>	<b><u>99.7</u></b>

**This gives rise to a total cost of:**

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
Ful-Time Incumbents	4,211,822	4,775,864	4,699,148	4,977,084	5,253,430
Part-Time Clergy posts	361,822	308,527	483,823	512,982	543,980
<b>Total</b>	<b><u>4,573,644</u></b>	<b><u>5,084,391</u></b>	<b><u>5,182,971</u></b>	<b><u>5,490,066</u></b>	<b><u>5,797,410</u></b>
			<b>1.9%</b>	<b>5.9%</b>	<b>5.6%</b>

**2.Mission and Ministry Framework**

**a) Training Curates**

The unit cost budget of each training curate is budgeted on a similar basis to parish ministry but does not include the vacancy saving. The costs also includes a higher cost for robing and resettlement grants reflecting the greater cost in this area. The target is for 4 new curacies each year, on average, over a 3 year period.

**The cost equivalent number of training posts that we are expecting to fund from Parish Share is:**

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
	<b><u>18.25</u></b>	<b><u>11.75</u></b>	<b><u>12.83</u></b>	<b><u>12.00</u></b>	<b><u>12.00</u></b>
<b>This gives rise to a total cost of</b>	<b><u>849,625</u></b>	<b><u>616,897</u></b>	<b><u>809,960</u></b>	<b><u>771,670</u></b>	<b><u>801,845</u></b>
<b>% change</b>			<b>31.3%</b>	<b>-4.7%</b>	<b>3.9%</b>

**b) Ordinands**

The cost of discerning vocations, overseeing training and supporting curates is borne through the office of the Diocesan Director of Ordinands ("DDO"). This office includes the Director and his full time administrator.

This budget includes maintenance grants for ordinands while the costs of training ordinands at theological institutes (course fees and accomodation) are funded by a block grant from the National Church. Any defecit on this funding is met by the diocese.

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
DDO Office	84,289	87,793	99,198	104,158	109,366
Ordinand maintenance grants	113,057	117,367	154,114	101,580	105,000
National Church (Vote 1 & Pooling) ordination training	259,340	272,559	253,471	266,145	279,452
<b>Total</b>	<b><u>456,686</u></b>	<b><u>477,719</u></b>	<b><u>506,783</u></b>	<b><u>471,882</u></b>	<b><u>493,818</u></b>
			<b>6.1%</b>	<b>-6.9%</b>	<b>4.6%</b>

**c) Further Ministerial Training & Support**

This includes Lay Ministry Training, Ministry Development and CMD funding

<b>Total</b>	<b><u>165,809</u></b>	<b><u>206,745</u></b>	<b><u>228,961</u></b>	<b><u>240,409</u></b>	<b><u>252,430</u></b>
			<b>10.7%</b>	<b>5.0%</b>	<b>5.0%</b>

**d) Local Church Development**

This is now part of the Mission and Ministry Framework and was established to equip and resource parish ministry to encourage spiritual and numerical growth. It also includes the legal responsibility for the pastoral organisation of mission in parishes.

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
Pastoral Organisation	20,552	20,262	21,246	22,309	23,424
Mission and Growth	55,481	55,732	58,679	61,613	64,694
Events	90,445	97,885	102,486	107,611	112,991
<b>Total</b>	<b><u>166,478</u></b>	<b><u>173,879</u></b>	<b><u>182,412</u></b>	<b><u>191,533</u></b>	<b><u>201,109</u></b>
				<b>5.0%</b>	<b>5.0%</b>
<b>The total cost of ministry training and support is</b>	<b><u>1,638,598</u></b>	<b><u>1,475,240</u></b>	<b><u>1,728,116</u></b>	<b><u>1,675,495</u></b>	<b><u>1,749,202</u></b>
<b>% change</b>			<b>17.1%</b>	<b>-3.0%</b>	<b>4.4%</b>

## Canterbury Diocesan Board of Finance

### Parish Share - Proposed Budget 2024 and Forecasts 2025 and 2026

#### 3. Supporting our parishes

##### a) SJN Grant (formerly The Communities & Partnerships Framework)

The Social Justice Network receives a grant to fund its core activities.

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
Resourcing Partnerships and projects	91,351	93,011	99,680	104,664	109,898
University Chaplaincy	44,661	49,667	-	-	-
Direct funding of Outreach work and projects	18,500	19,240	8,320	8,736	9,173
Budget re-allocations	-	(41,739)	-	-	-
UK and Calais Refugee officers (funded by grants and Bishops' Justice Appeal)	-	-	-	-	-
<b>Total</b>	<b>154,512</b>	<b>120,179</b>	<b>108,000</b>	<b>113,400</b>	<b>119,070</b>
<b>% change</b>			<b>-10.1%</b>	<b>5.0%</b>	<b>5.0%</b>

##### b) The Children & Young Peoples Framework and Board of Education

The framework together with the Board of Education encourages the ministry to our children and young people both through religious education and collective worship in Church Schools and in supporting activities in churches.

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
Grant to Board of Education	185,000	194,250	204,000	214,200	224,910
Other DBE Costs	114,000	119,700	125,700	131,985	138,584
Children and Youth Ministry	79,000	82,950	87,200	91,560	96,138
<b>Total</b>	<b>378,000</b>	<b>396,900</b>	<b>416,900</b>	<b>437,745</b>	<b>459,632</b>
<b>% change</b>			<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>

Other DBE costs are met by the profit of the education trading subsidiary, Ethos School Improvement Ltd, and other educational income.

##### c) Episcopal and Archidiaconal Oversight

The diocese is grateful that the Church Commissioners pay for the cost of the Bishop of Dover, her Chaplain and the Archdeacon of Maidstone, apart from their associated housing costs.

The diocese is also grateful that the costs of the Archdeacon of Canterbury are primarily borne by Canterbury Cathedral.

The remaining costs of the Senior Clergy of the diocese, including administrative support and housing costs, are:

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
<b>Total</b>	<b>167,785</b>	<b>168,499</b>	<b>176,225</b>	<b>185,364</b>	<b>195,841</b>
<b>% change</b>			<b>4.6%</b>	<b>5.2%</b>	<b>5.7%</b>

##### d) Support Services

This covers a number of different diocesan services and responsibilities as detailed below.

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
Safeguarding	188,702	193,669	215,886	226,680	238,014
Finance	337,569	387,997	409,787	410,276	430,790
Office Management	200,970	203,340	166,319	174,635	183,367
Governance & Synodical	140,077	138,864	140,594	147,624	155,005
Communications	156,637	102,060	134,981	141,730	148,817
IT	99,762	198,176	188,290	197,705	207,590
People Services	71,620	78,190	102,890	108,035	113,437
Diocesan Advisory Committee ("DAC")	68,784	61,721	68,863	72,306	75,921
Diocesan Registrar, Commissary General & Faculty Petitions	99,250	104,980	102,500	107,625	113,006
Other	32,459	32,037	16,500	17,325	18,191
<b>Total</b>	<b>1,395,830</b>	<b>1,501,033</b>	<b>1,546,611</b>	<b>1,603,941</b>	<b>1,684,138</b>
<b>% change</b>			<b>3.0%</b>	<b>3.7%</b>	<b>5.0%</b>

##### e) National Church

The amount required from the diocese to support national synodical government and services.

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
<b>Total</b>	<b>285,966</b>	<b>266,288</b>	<b>272,274</b>	<b>285,888</b>	<b>300,182</b>
<b>% change</b>			<b>2.2%</b>	<b>5.0%</b>	<b>5.0%</b>

##### f) Support for strategy

Strategic projects	43,879	55,733	85,000	85,000	85,000
Deanery grants	30,000	30,000	15,000	15,000	15,000
	<b>73,879</b>	<b>85,733</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>% change</b>			<b>16.6%</b>	<b>0.0%</b>	<b>0.0%</b>

<b>Total Parish Support costs</b>	<b>2,455,973</b>	<b>2,538,632</b>	<b>2,620,010</b>	<b>2,726,339</b>	<b>2,858,864</b>
<b>% change</b>			<b>3.2%</b>	<b>4.1%</b>	<b>4.9%</b>

#### 4. Unrestricted Income

Apart from Parish Share the diocese receives unrestricted income from the following sources:

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
Occasional Office ("Parochial") Fees	300,000	300,000	300,000	275,000	250,000
Rental Income (net of management fees)	350,000	400,000	550,000	560,000	570,000
Investment Income	165,000	165,000	165,000	170,000	175,000
Other Income	110,000	110,000	110,000	125,000	135,000
Contribution from trading subsidiaries	77,000	77,000	89,000	92,000	97,000
<b>Total</b>	<b>1,002,000</b>	<b>1,052,000</b>	<b>1,214,000</b>	<b>1,222,000</b>	<b>1,227,000</b>
<b>% change</b>			<b>15.4%</b>	<b>0.7%</b>	<b>0.4%</b>

**Canterbury Diocesan Board of Finance**  
**Parish Share - Proposed Budget 2024 and Forecasts 2025 and 2026**

**Summary Financial Position**

	<u>2022B</u>	<u>2023B</u>	<u>2024B</u>	<u>2025F</u>	<u>2026F</u>
	£	£	£	£	£
Parish Ministry	4,573,644	5,084,391	5,182,971	5,490,066	5,797,410
Mission and Ministry Framework	1,638,598	1,475,240	1,728,116	1,675,495	1,749,202
Episcopal and Archidiaconal Oversight	167,785	168,499	176,225	185,364	195,841
<b>Mission and Ministry</b>	<b>6,380,027</b>	<b>6,728,130</b>	<b>7,087,313</b>	<b>7,350,925</b>	<b>7,742,453</b>
<b>The Social Justice Network</b>	<b>154,512</b>	<b>120,179</b>	<b>108,000</b>	<b>113,400</b>	<b>119,070</b>
<b>Children &amp; Young People Framework</b>	<b>378,000</b>	<b>396,900</b>	<b>416,900</b>	<b>437,745</b>	<b>459,632</b>
Support Services	1,395,830	1,501,033	1,546,611	1,603,941	1,684,138
National Church	285,966	266,288	272,274	285,888	300,182
Support for strategy	73,879	85,733	100,000	100,000	100,000
	1,755,675	1,853,054	1,918,885	1,989,829	2,084,320
Less unrestricted income	(1,002,000)	(1,052,000)	(1,214,000)	(1,222,000)	(1,227,000)
<b>Supporting Services</b>	<b>753,675</b>	<b>801,054</b>	<b>704,885</b>	<b>767,829</b>	<b>857,320</b>
<b>Total Expenditure</b>	<b>7,666,215</b>	<b>8,046,263</b>	<b>8,317,098</b>	<b>8,669,899</b>	<b>9,178,475</b>
<b>Parish Share</b>	<b>(7,666,215)</b>	<b>(8,046,263)</b>	<b>(8,317,098)</b>	<b>(8,669,899)</b>	<b>(9,178,475)</b>
<b>(Deficit)/ Surplus for year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**% increase in Overall Parish Share**

**3.4%**

**4.2%**

**5.9%**

**Canterbury Diocesan Board of Finance**  
**Restricted and Endowment Income and Expenditure**

	<u>Budget</u> <u>2022B</u> <u>£'000</u>	<u>Budget</u> <u>2023B</u> <u>£'000</u>	<u>Budget</u> <u>2024B</u> <u>£'000</u>	<u>Forecast</u> <u>2025F</u> <u>£'000</u>	<u>Forecast</u> <u>2026F</u> <u>£'000</u>
<b>RESTRICTED INCOME</b>					
Church Commissioners for Lowest Income Communities	847	835	864	894	920
Church Commissioners for Strategy	209	250	727	623	623
Church Commissioners for Students at theological colleges	133	120	0	0	0
Church Commissioners for Curates	67	66	36	0	0
Benefact for Strategic Projects	129	113	97	81	65
Schools Conditional Allocation Funding	611	747	750	750	750
Other	625	55	50	50	50
	<b>2,621</b>	<b>2,186</b>	<b>2,524</b>	<b>2,398</b>	<b>2,408</b>
<b>RESTRICTED EXPENDITURE</b>					
Lowest Income Funding	847	835	864	894	920
Strategy	338	363	824	704	688
Students at theological colleges	117	120	0	0	0
Curates	67	66	36	0	0
Schools Conditional Allocation Funding	587	900	850	850	850
Other	177	55	50	50	50
	<b>2,133</b>	<b>2,339</b>	<b>2,624</b>	<b>2,498</b>	<b>2,508</b>
<b>Movement in Restricted Funds</b>	<b>488</b>	<b>(153)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>
<b>ENDOWMENT INCOME</b>					
Other	14	0	0	0	0
	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ENDOWMENT EXPENDITURE</b>					
Other	19	35	15	15	15
	<b>19</b>	<b>35</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Movement in Endowment Funds</b>	<b>(5)</b>	<b>(35)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>

**Canterbury Diocesan Board of Finance**  
**Forecast Balance Sheets and Cash Flows**

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	£'000	£'000	£'000	£'000	£'000
<b>Forecast Balance Sheets</b>					
<b>Fixed assets</b>					
Tangible fixed assets	88,094	88,094	88,094	88,094	88,094
Investments	8,019	8,019	8,019	8,019	8,019
	<u>96,113</u>	<u>96,113</u>	<u>96,113</u>	<u>96,113</u>	<u>96,113</u>
<b>Current assets</b>					
Debtors	1,571	1,571	1,571	1,571	1,571
Cash at bank and in hand	7,870	6,982	6,167	5,452	4,837
	<u>9,441</u>	<u>8,553</u>	<u>7,738</u>	<u>7,023</u>	<u>6,408</u>
<b>Creditors: amounts falling due within one year</b>	<u>(2,756)</u>	<u>(2,756)</u>	<u>(2,756)</u>	<u>(2,756)</u>	<u>(2,756)</u>
<b>Net current assets</b>	<u>6,685</u>	<u>5,797</u>	<u>4,982</u>	<u>4,267</u>	<u>3,652</u>
<b>Total assets less current liabilities</b>	102,798	101,910	101,095	100,380	99,765
<b>Creditors: amounts falling due after more than one year</b>	<u>(778)</u>	<u>(778)</u>	<u>(778)</u>	<u>(778)</u>	<u>(778)</u>
<b>Net assets</b>	<u>102,020</u>	<u>101,132</u>	<u>100,317</u>	<u>99,602</u>	<u>98,987</u>
<b>Funds</b>					
Endowment funds	78,149	78,114	78,099	78,084	78,069
Restricted funds	2,318	2,165	2,065	1,965	1,865
Unrestricted funds					
. Designated funds	16,159	16,159	16,159	16,159	16,159
. General funds	5,282	4,582	3,882	3,282	2,782
. Non-charitable trading funds	112	112	112	112	112
<b>Total funds</b>	<u>102,020</u>	<u>101,132</u>	<u>100,317</u>	<u>99,602</u>	<u>98,987</u>

**Forecast statement of cash flows**

Opening cash	7,870	6,982	6,167	5,452
Net cash flows in endowment funds	(35)	(15)	(15)	(15)
Net cash flows in restricted funds	(153)	(100)	(100)	(100)
Net cash used in operating activities	<u>(700)</u>	<u>(700)</u>	<u>(600)</u>	<u>(500)</u>
Closing cash	<u>6,982</u>	<u>6,167</u>	<u>5,452</u>	<u>4,837</u>