

Indicative Diocesan Budget 2024

Please find attached the first draft budget for 2024 for discussion.

I have assumed a 5.0% increase in stipends and staff salaries from 1 April 2024 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) appears to be abating and is likely to continue to do so, or at least not increase significantly again in the near-term, food cost inflation remains very high and of course these inflationary increases are “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. The same with base rates which still appear on an upwards trajectory. I am not an economist but the UK core inflation of 6.8% in the year to April, the highest since March 1992, must be a concern.

The 5.0% increase in stipend and overall staff salaries in April 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 (“NSB”) and from 1 April 2022 we were nearly 1% above the NSB. We remain nearly 1% above the NSB from 1 April 2023.

The attached budget shows the effect of the stipend being increased to £30,363 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 contribution rate of 28%. At the recent Finance and Assets Committee away day we agreed to budget for an average of 10 full-time vacancies.

Resettlement grants, removal costs and clergy fees in vacancy has 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 and 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 costs has increased by 8.6%. This includes a 5.0% increase in the direct property spend and greater increases in premises insurance and other property-related costs.

Curate costs include the full costs of training that we expect to fund. This includes 6 stipendiary starters in 2024 and a further 8 self-supporting. Our target is 4 new curacies each year on average, over a 3-year period. All curates receive a robing grant, and stipendiary curates receive a relocation grant and we also pay any removal costs for stipendiary curates. Previously the curates budget included an element of the vacancy savings, but this has been excluded as the saving only applies to parish ministry roles.

There is a £29k increase in ordinand maintenance grants due to the mix of ordinands starting training in 2023.

The SJN is grant funded by CDBF with effect from 1 May 2023 and the University Chaplain has moved into the Mission and Ministry Framework. Although the SJN budget shows a decrease of 10.1% the actual decrease on a like for like basis is 2.6%.

The Children and Young People framework has a budgeted increase in expenditure 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 2.9%, despite a 5.0% increase in staff costs being included.

The National Church figures for 2024 are not yet available and 2023 costs have been assumed. The actual figures should be available for the November Synod.

£85,000 has been allocated for strategic projects and deanery grants have been halved to £15,000 as only these deaneries who need a grant are expected to apply for one in 2024.

Unrestricted income reflects the higher rental income we expect to receive.

Overall, the increase in Parish Share is 4.6% under this indicative budget.

There are likely to be some changes to the figures before the roadshows in September and October, including whether the 5.0% increase in stipends and salaries is acceptable. The feedback at Synod in July may further inform our budgets and later in the year we will have a better understanding of where inflation may be heading in 2024, before we consider the final proposed budget for 2024 to be presented to Synod in November.

Doug Gibb
Director of Finance
7 June 2023

Canterbury Diocesan Board of Finance

	<u>Budget</u> <u>2022B</u>	<u>Budget</u> <u>2023B</u>	<u>Budget</u> <u>2024IB</u>
	£	£	£
<u>The cost of each Parish Priest whether Vicar, Rector, Associate Priest etc will be:</u>			
Stipend	27,203	28,573	30,002
Employment taxes	2,556	2,639	2,700
Pension	6,935	7,127	7,413
Saving from 10 (2023-8) FTE vacancies on ministry cost	(3,075)	(2,720)	(3,943)
Resettlement grants, removal costs & clergy fees in vacancy	0	931	629
Housing Repairs and Maintenance	7,427	9,802	10,649
Council Tax and Water Rates	2,833	2,833	2,975
Total Budget Unit Cost	43,879	49,185	50,425
% change			2.5%

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

	<u>2022B</u>	<u>2023B</u>	<u>2024IB</u>
Full-Time	95.99	97.10	93.10
Part-Time 21 posts (21 houses but the equivalent of 8.65 FTE stipends) (2023B - 13 houses but the equivalent of 3.90 FTE stipends)	14.10	13.00	21.00
Total Headcount	110.1	110.1	114.1
Total FTE	102.3	101.0	101.8

This gives rise to a total cost of:

	<u>2022B</u>	<u>2023B</u>	<u>2024IB</u>
Ful-Time Incumbents	4,211,822	4,775,864	4,694,613
Part-Time Clergy posts	361,822	308,527	604,437
Total	4,573,644	5,084,391	5,299,050
			4.2%

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>18.25</u>	<u>11.75</u>	<u>12.83</u>
<u>This gives rise to a total cost of</u>	<u>849,625</u>	<u>616,897</u>	<u>795,070</u>
<u>% change</u>			<u>28.9%</u>

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>2024IB</u>
DDO Office	84,289	87,793	92,185
Ordinand mainitenance grants	113,057	117,367	146,169
National Church (Vote 1 & Pooling) ordination training	259,340	272,559	272,559
Total	456,686	477,719	510,913

c) Further Ministerial Training & Support

This includes Lay Ministry Training, Ministry Development, CMD funding and the University Chaplain.

Total	165,809	206,745	229,038
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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>2024IB</u>
Pastoral Organisation (L02)	20,552	20,262	21,246
Mission and Growth (L05)	55,481	55,732	58,315
Events	90,445	97,885	102,786
Total	166,478	173,879	182,348

The total cost of ministry training and support is	1,638,598	1,475,240	1,717,369
% change			16.4%

Canterbury Diocesan Board of Finance

3.Supporting our parishes

a) The Social Justice Network (formerly The Communities & Partnerships Framework)

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

	<u>2022B</u>	<u>2023B</u>	<u>2024IB</u>
Resourcing Partnerships and projects	91,351	93,011	99,680
University Chaplaincy	44,661	49,667	-
Direct funding of Outreach work and projects	18,500	19,240	8,320
Budget re-allocations	-	(41,739)	-
UK and Calais Refugee officers (funded by grants and Bishops' Justice Appeal)	-	-	-
Total	154,512	120,179	108,000
% change			-10.1%

b) The Children & Young Peoples Framework

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>2024IB</u>
Grant to Board of Education	185,000	194,250	204,000
Other DBE Costs	114,000	119,700	125,700
Children and Youth Ministry	79,000	82,950	87,200
Total	378,000	396,900	416,900
% change			5.0%

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>2024IB</u>
Total	167,785	168,499	174,770
% change			3.7%

d) Support Services

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

	<u>2022B</u>	<u>2023B</u>	<u>2024IB</u>
Safeguarding (R09)	188,702	193,669	215,886
Finance (R02)	337,569	387,997	407,306
Office Management (R04)	200,970	203,340	166,319
Governance & Synodical (R01)	140,077	138,864	140,594
Communications (R07)	156,637	102,060	134,981
IT (R03)	99,762	198,176	188,290
People Services (R18)	71,620	78,190	102,890
Diocesan Advisory Committee ("DAC") (R23)	68,784	61,721	68,863
Diocesan Registrar, Commissary General & Faculty Petitions (R11)	99,250	104,980	102,500
Other	32,459	32,037	16,500
Total	1,395,830	1,501,033	1,544,130
% change			2.9%

e) National Church

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

	<u>2022B</u>	<u>2023B</u>	<u>2024IB</u>
Total	285,966	266,288	269,648
% change			1.3%

f) Support for strategy

Strategic projects	43,879	55,733	85,000
Deanery grants	30,000	30,000	15,000
	73,879	85,733	100,000
% change			16.6%

Total Parish Support costs	2,455,973	2,538,632	2,613,447
% change			2.9%

4.Unrestricted Income

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

	<u>2022B</u>	<u>2023B</u>	<u>2024IB</u>
Occasional Office ("Parochial") Fees	300,000	300,000	300,000
Rental Income (net of management fees)	350,000	400,000	550,000
Investment Income	165,000	165,000	165,000
Other Income	110,000	110,000	110,000
Contribution from trading subsidiaries	77,000	77,000	89,000
Total	1,002,000	1,052,000	1,214,000
% change			15.4%

Summary Financial Position

	<u>2022B</u>	<u>2023B</u>	<u>2024IB</u>
	£	£	£
Parish Ministry	4,573,644	5,084,391	5,299,050
Mission and Ministry Framework	1,638,598	1,475,240	1,717,369
Episcopal and Archidiaconal Oversight	167,785	168,499	174,770
Mission and Ministry	6,380,027	6,728,130	7,191,189
The Social Justice Network	154,512	120,179	108,000
The Children & Young Peoples Framework	378,000	396,900	416,900
Support Services	1,395,830	1,501,033	1,544,130
National Church	285,966	266,288	269,648
Support for strategy	73,879	85,733	100,000
	1,755,675	1,853,054	1,913,778
Less unrestricted income	(1,002,000)	(1,052,000)	(1,214,000)
Supporting Services	753,675	801,054	699,778
Total Expenditure	7,666,215	8,046,263	8,415,867
Parish Share	(7,666,215)	(8,046,263)	(8,415,867)
(Deficit)/ Surplus for year	0	0	0

% increase in Overall Parish Share

4.6%

The Diocese also receives the following restricted income to support mission and strategy

	<u>2022B</u>	<u>2023B</u>	<u>2024IB</u>
Church Commissioners for Lowest Income Communities	846,636	846,636	863,722
Benefact Trust for strategic projects	129,000	112,875	100,000
	<u>975,636</u>	<u>959,511</u>	<u>963,722</u>
% change			0.4%

The diocese is able to support mission in certain deprived areas through grants offered by the Church Commissioners. The diocese also supports strategic projects in parishes under its Changed Lives/Changing Lives strategy supported by Benefact, the Church Commissioners and other trusts.