Lichfield Diocesan Board of Finance (Incorporated)

Maintenance Budget 2017

DIOCESE OF LICHFIELD

The Church of England around Staffordshire, northern Shropshire and the Black Country

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Lichfield Diocesan Board of Finance
Summary Maintenance Budget 2017

1. Overview

This section simply highlights some of the headlines within the budget; further detail is within this document

- **a) Parish Share average increase (base amount) at 1.75%**
- **b) Inflation at 1.75%**
- **c) Stipend/Salary increases set at 1.75%**
- **d) Cost of Ministry increase by 1.50% to £52,760**
- **e) To continue to match long term liabilities with "guaranteed" long term income**
- **f) Utilise variable or less secure short term funding to support shorter term strategic and development work**
- **g) Continue to invest in Projects that embrace the five Themes of Growth.**
- **h) To continue to support viable existing projects**
- **i) Implement transitional changes**

2. Diocesan Five Themes of Growth

- **Discovering the Heart of God;**
- **Growing Disciples;**
- **Reaching New Generations;**
- **Transforming Communities**
- **Practising Generosity**

3. Introduction

This report presents the Diocesan Budget of the Lichfield Diocesan Board of Finance for 2017. As in previous years, this document gives a summary of the income and expenditure budgets for 2017 and looks at the financial implications. A further document which includes the aims and objectives of all the different areas of expenditure will form part of an Annual Review 2016 document that will be presented to the Bishop Council in February 2017.

The Budget for 2017 whilst retaining the framework welcomed and approved at the Diocesan Synod in March 2010 of Putting Parishes First and centred on Proclaiming the Faith, also includes more strategic and development areas that complement the "Five Themes of Growth".

In addition this is the fifth Budget to reflect the Plain Speaking/Deployment exercise that has been undertaken across the diocese, since its launch in January 2011. The 2017 budget sees a further 6 posts removed from the Stipend budget, towards the overall target of 40 posts. The final five posts will be included in the 2018 budget.

It should be taken into consideration that whilst many will focus on the reduction of 40 posts across the Diocese by 2018, it is estimated that by 2020, more than twice that number of Stipendiary Ministers will retire. With fewer persons coming forward for vocation or calling to Stipendiary Ministry, the greater challenge may be how to fill the posts that are not to be reduced. This is not just an issue facing the Lichfield Diocese but a national issue facing every Diocese. There is a National Church Strategy to increase the number of Ordinands by 50%.

4. Diocesan Budget

The Diocesan Budget represents the day-to-day transactions of the Board, including the receipts of the Parish Share and other income and the costs attributed to them, such as Stipends, and contributions to General Synod. It explains the costs that the Parish Share contributes towards and other areas of income that assist in meeting the liabilities of clergy stipends, housing, pensions, administration and central support services (Central Sector Ministry).

It **does not** contain the transactions of the Designated and Restricted Funds, unless any transfer or payment from the funds is due to the Unrestricted Funds. These Specialist Restricted Funds do not have individual budgets; however, their annual transactions are reported in the Board's Annual Management Accounts and the Trustees, Boards and Committees responsible for these Funds receive regular reports. Copies of these reports are available on request.

Such is the complex nature of the Church's Financial Rules and Regulations that some of the income and expenditure from the Designated and Restricted Funds affect the day-to-day transactions. These naturally have to be included in the Budget. They are as follows: -

- Church Commissioners' Mission Support (Stipend) Allocation
- Investment Income from the Pastoral Fund, Trust Reserve, Diocesan Stipends Fund (Glebe), Stipend Trust Reserve and selected Designated Funds
- Income received from the Walter Stanley Trust
- Grants to/from any Designated or Restricted Fund expected within the year.

Diocesan Budget 2017

After a managed and sustained period of deficit budgets, 2017, like last year is specifically designed to be a break even budget. It is important that the Board has managed to produce a break even budget ahead of the substantial changes in National Church Funding. 2016 represented the final year of the latest triennial of Commissioners Allocation.

Under the new formula the National Church has confirmed that the new funding arrangements will be introduced over a ten year period of time. Lichfield Diocese will receive around £2.20m in 2017 and this will decrease to around £2.10m by 2023, and then remain fixed. The final figures beyond 2019 are yet to be finalised. In addition every Diocese will receive some Transitional Funding in 2017. Lichfield has been allocated a one off £700,000 in 2017 – and whilst there are no specific restrictions on how the funds should be used, they must be spent by the end of 2019. However it should be noted that the **Mission Development Funding** ceases at the end of 2016.

These sums should enable the Board to continue to finance the day to day activities based upon previously produced forecast models and at the same time allow a secondary budget to be produced to offer strategic development across the diocese without placing additional financial pressures on parishes. This is explained further under Future forecasts on page xx.

The latest forecast model indicates that the current strategic and financial models allow for the Diocese to create a sustainable platform, on the assumption that Parish Share targets are achieved, and there are no Pension "bombshells". Reducing Risk factors down from five only a few years ago to the remaining two is a positive sign of the strategic work and support from parishes over the last ten years.

As explained under section A2 – the Diocese will not only continue to receive Ministry and Mission support, but a sizable increase. Whilst the easy answer would be to allocate this to Stipends and alleviate pressure on Parish Share and Diocesan Expenditure, if the funding was ever to change in the future this would add immediate pressure on sizeable increases in Parish Share or further reductions in posts. It is felt far more strategic to maintain a steady budget and to try and keep share increases at low manageable and sustainable level. It remains far more strategic to match long term liabilities or costs to more guarantee fixed term income and allows the Diocese to identify shorter term and more variable income streams to shorter term liabilities. These shorter terms funds allow an opportunity to invest in new ways of reimagining Ministry and Mission that will hopefully have long term benefits. It is therefore proposed that the £1.75m set aside from the Allocation three years ago remains in place, leaving the additional allocation to be used strategically to the benefit of the Diocese as a whole.

In respect of Clergy Pensions, after consultation it has been agreed by the Pensions Board there would be no increase in percentage of contribution in 2017, although there will be an increase in monetary terms in line with the increase in National Stipends Benchmark (1.50%), the figure against which contribution rates are charged, has been rebased. However the makeup of the Contribution rate of 39.80% will change, so instead of 14.10% going towards the Pension deficit, this will reduce to 11.90%. The deficit is thought to be cleared by December 2025.

This Budget includes an increase of the base Parish Share increase from 1.00% in 2016 to 1.75% in 2017. However with the new Apportionment System being in place the actual amount shown in the budget marginally decreases due to the known changes in deployment as explained under Section A1.

The budget for 2017 includes the Diocese full national intake of allocation of curates – 12 for 2017, however the year 2 curates from the intake in 2016 has been reduced due to the fact not all places were able to be filled. This has led to an opportunity to increase the intake in 2017 and 2018 if the opportunity arises. In addition the Diocese continues to support the Ministry Development Budget, ensuring that the Diocese correctly resources the required changes in legislation under Ministerial Development Reviews and Clergy Terms of Service.

Income

A1 - Parish Share

The Parish Share is by far the largest source of income for the Diocese and it remains remarkable how parishes raise and pay over £11m each year to support the Mission and Ministry of the Church across the Diocese.

In March 2012 a new Share Apportionment System was agreed by Diocesan Synod that came into effect on January 2013. The new System is based around Cost of Ministry with the aim over time that each parish will pay for their particular Cost of Ministry. It is appreciated that the rate of change is slow but this avoids non collectable and unsustainable large increases in parishes share requests. Hopefully it reflects smaller and achievable increases over time. It is equally appreciated that this also means larger contributing parishes are expected to continue to support receiving parishes for an extended period of time.

It is forecast 272 (258 - Jan 2016) of the 449 (454) Parish Share Units pay for their actual cost of ministry, taking into consideration mutual support and the allocation of Church Commissioners Support. Where parishes are currently positioned is defined by a K ratio. This is calculated by adding the share requested plus any Church Commissioners Allocation, divided by the Parishes Cost of Ministry. The aim is to get every parish ideally to a K ratio of 1.1 – paying for their costs and contributing towards additional Mission and Ministry.

For those parishes with a K ratio greater than 1.1, these parishes will receive a lower than Diocesan Average Increase in Share to slowly bring their ratio down, whilst those with a Ratio lower than 1.0 will receive a proportionally higher increase than the diocesan average to move their share towards the desired aim. More detail on the system can be found on the website
http://www.lichfield.anglican.org/ourdiocese/parish-resources/

An interim review of the new system was undertaken in 2015. It was felt there was no need for any changes at this stage. The next review is due in 2019 with any agreed changes will be implemented in 2020.

The largest change in the new System is the reduction of Share for those parishes that reduce their deployment. Under the new system, the “savings” from a reduction in a post are shared equally between the Board and the parish. During times of change this particular change in the system has been welcomed and allowed parishes to identify what they can realistically afford and sustain.

From a budget point of view due to the timing of the consultations, a factor has been introduced to estimate those parishes whose share will fall if their deployment falls before the start of the New Year. It is a difficult exercise to estimate a precise figure as it should be appreciated that it depends very much on which specific parish and by what deployment change to work out an exact figure.

In addition some of the required deployment changes have already been implemented and reflected within the budget – both income and expenditure, so there is a little bit of a mixed economy at this time of year.

As one can appreciate as soon as a parish identifies a change in deployment they want the share to reflect this immediately, even if the actual change has not yet taken place. There is a process for changes in deployment that should be adhered to an approval of Area Mission and Pastoral Committee is required. In order to try and formalise the procedure going forward, it is suggested that there is a cut-off point each year of **31 October** – changes after that date will not be reflected until the following years share calculation. Where ever possible a proportionate Special Assessment may be given to any parish where the changes are made after the cut-off date.

The new system has allowed the Board to fulfil the wishes of the Church Commissioners in showing where their Ministry Support is allocated each year. The new system allows for support to Urban Priority Parishes, up to 24% of their Cost, and also Small Rural Parishes, up to 32% of their costs. In addition the Church Commissioners Ministry Support Allocation supports Mission and Pioneer posts across the Diocese. So far the allocation has been well received by the Church Commissioners. It is worth remembering that this is an apportionment exercise. With the reduction in Stipendiary numbers, the share requested in the Budget will be marginally lower in 2016 than in 2015. In reality this reduction has been created by the changes that have already taken place in 2015 and known for 2016. Whilst it is appreciated there will always remain some change between Budget and Actual during this transitional period of change, it is envisaged this will smooth out in later years.

With the shortfall provision the Budget for 2017 actually shows a net share receipt of £11.102m – which is marginally lower than the £11.156m in the 2016 budget but in line with the £11.2m received per annum for 2010 to 2015 and predicted to be the net receipt in 2016. It is therefore not an unreasonable net target for 2017 that is realistic and deliverable.

It is felt that this gives the Budget some solid foundation going forward, after all one of the crucial elements in any budget is ensuring the income to be received is realistic and deliverable. Quite often expenditure can be controlled but income is normally far harder to predict and receive.

Using the new system the Board aims to work towards a period of consistency which will allow the Board to forecast share increases for each parish (subject to local variations) for as many years as they wish. This in turn should help parishes to set realistic budgets for future years and as a result review not only their expenditure but income and levels of giving. A review of the 2014 financial returns demonstrated that 50% of parishes had an unrestricted surplus in 2014. However more detailed work needs to be done on the condition of the buildings and reserves in place to support any major work that may be needed.

The Share is currently 64.03% (66.88% in 2016) of the income generated by the Board compared to 51% in 1991. Excluding the Mission funding received from the National Church the Share would represent 69.15% (70.21% in 2016) of income. It is the aim of FACS to try and keep this level as close to 70% as possible, although some Dioceses have the Share representing 80% of their overall income.

A2 – Church Commissioners Funding

Ministry Support (Stipend Allocation)

Following conversations with the Church Commissioners the new Allocation from the National Church is based on two factors – deprivation and population. As a result the Lichfield Diocese has risen from fifth to second in the table of allocation. The funding has been fixed for up to ten years, although there is transitional funding built into the allocation. This means that whilst Lichfield will receive £2.60m in 2017, this will fall over time to 2023 to £2.10m. It should be noted that in 2016, the Diocese received £2.226m – this included Mission Development Funding of £0.277m – this funding ceased in 2016.

In addition the Diocese will also receive a further £0.733m transitional funding in 2017 – this is a one off payment and must be spent by December 2019 – although there are no stipulations on what the money may be spent on.

The strategic approach being taken by the Board is that £1.75m of the allocation be used towards Stipends – and therefore offset against the income the Diocese needs to meet the long term liabilities – the day to day transactions such as support longer term posts and liabilities.

Anything over and above the minimum figure would be treated as short term and variable income and would be matched against shorter term or more flexible liabilities. i.e. if the funding ceased then the work attached to the funding could cease as well.

The Commissioners have very much supported this theory and strategy and in October 2013, changed the rules on the use of the Ministry Allocation to allow Diocese to use the funds for other purposes than Stipends.

The Short Term funding is a key instrument in the strategic budget that is set out in this document. This should be seen as an opportunity to develop strategic and Mission orientated work.

The additional funds are used to support strategic development work in the diocese to compliment the five Themes. This is covered under Section B6. In simple terms it is designed to assist the diocese in becoming more financially stable and avoid fluctuations in the budget if for some reason one area requires significant additional funding, be it the General Synod apportionment, Ordinands Training or Pensions.

With the ceasing of the **Mission Development Funding,** then the Growth Fund as is, will also cease. However it is felt important that some fund is used to replace the Growth Fund to help parishes with investing in local Mission. As a result the Growth Fund will merge with the Parish Projects loans and Grants Committee to create a new Committee called Resourcing Parish Mission (RPM) and this body will look at ways to be more creative and evaluate projects within parishes.

A3 – Other Stipend Income

	Budget 2016	**Budget 2017**
Glebe Land Rents	182,104	187,567
Glebe House Rents	131,127	140,311
Parochial Fees	1,050,000	1,173,000
Trust Investment Income	117,580	118,755
Stipend Capital Account	391,984	383,879
Other Stipends Income	1,872,795	2,003,512

In recent years this section of income has risen substantially as the Board continues to ensure that reserves and assets are worked as hard as possible to ease the burden on parishes. In addition it is appreciated that in addition to the Parish Share that parishes generate over £1m in Parochial Fees, in addition to the Parish Share.

For 2016, this income section has risen by 6.98% - mainly due to the increase in budgeted parochial fees. With the apparent decline experienced in actuals in 2012 and with the new Fee Measure taking effect in 2013, there was natural caution with the 2014 Budget. However with the receipts experienced in the last two years and the current trend continuing in 2016, the increase in the budget is believed to be realistic.

However despite a fall of 4.39% in the 2014 Budget it should be remembered that this section increased by 14.64% in 2008, 11.47% in 2009, 5.13% in 2010, 4.90% in 2011 and despite a decline of 0.36% in 2012 and 4.39% in 2014 – there was a further increase of 4.33% in 2013, 6.01% in 2015 and 7% in 2016.

For this first time in a while, the increase in Investment Income is rather cautious. Whilst the stock market has seen significant gains in capital value, at the time of writing over £1.40m for the Board this year – income has been rather more difficult to maintain. Investment Income was particularly high in 2015, and in hindsight using the 2014 figure as a base for future predictions would have been wiser. Therefore the investment income has been adjusted to take into consideration the current market uncertainty.

It remains necessary to challenge investments and try to further increase this form of self-generated income and continue to ease the pressure on the Parish Share. However it remains the Investment Policy to protect the longer term capital for the Board. The investment strategy avoids the Diocese looking to purchase income at the expense of capital value, which would have a longer term detrimental effect on the Board income for the short term benefit.

A4 – Investments and Donations

	Budget 2016	**Budget 2017**
Parsonage Rent Received	131,127	140,311
Investment Dividends and Interest	715,387	722,529
Investment Income	846,514	862,840
All Churches Trust (EIG) Distributions	225,264	247,500
St Chads Retreats Centre	-	50,000
Total Donations	225,264	297,500
Total	1,071,778	1,160,340

This section in particular on Investment Income is linked to the above section.

In recent years this section again has seen significant increases. 2015 Budget was no exception with a budget increase of 9.24%; 2016 was more conservative at 3.75% and in 2017 there is an increase of 8.26%. The main increase is not related to Investment Income but donations. In particular there is an expectation that the two Retreat Centres, Shallowford and Dovedale, which are now a wholly owned subsidiary of the Board, will contribute a tax efficient donation through profits in the region of £50,000 in 2017.

Over the last few years the diocese has been proactively reviewing the Housing Stock, to reflect the changes in deployment, plus quality of houses. Previous forecasts had included certain expectations, and for various reason these expectations have been adjusted annually.

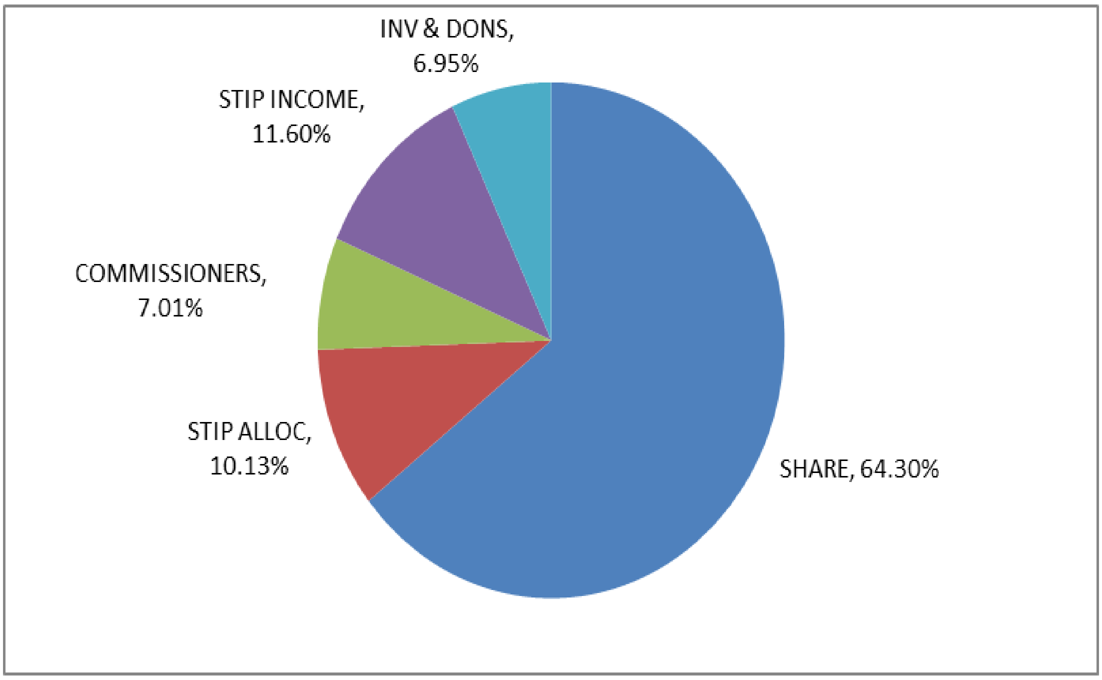
The Budget Review Group and Finance and Central Services Committee changed the approach and will review annually the Housing Stock with the Director of Property and in light of the outcomes will decide on the balance of capital liquidity and potential additional funds to be reinvested. It should be highlighted as a Diocese, proceeds from sale of Houses is reinvested and not utilised to balance the books. This policy will continue.

Whilst this change in strategy may appear to alleviate the pressure on reducing the Housing Stock, it remains crucial that surplus assets are reviewed and appraised to the benefit of the diocese as a whole. The harder the reserves work and the greater funds that historical assets can generate will always ease the pressure on Parishes, and in particular the Parish Share. In addition careful management of the number of houses also reflects on the pressures on the Housing Maintenance Budget.

From the middle of 2015, the policy on the investment of future house sale proceeds has changed. The Diocese will start to build a new restricted fund that will aim to raise sufficient capital to generate a further £0.350m per annum in investment income to be used to support the budget. The aim is that the new reserve will start to finance the Strategic Budget from 2019. In the drawing up of this new reserve the Finance Committee and the Budget Review Group have not under estimated the need to keep share increases to a minimum, so there will be a fine balancing act between the two budgets that will be set each year.

The grant from the All Churches Trust is traditionally slightly higher than budgeted for. This has enabled some flexibility within the overall budget for other areas of shortfall in income. After discussion with the Trust it is expected that the 2017 Grant will be in the region of the figure budgeted for, subject to market and Insurance forces.

Income Budget – 2017



The above chart shows the Parish Share requested less Provision for Shortfall.

Expenditure

Assumptions

The expenditure budget takes into consideration the following assumptions: -

1. Internal Inflation at 1.75%

2. Stipend Increases at 1.75%

3. Salary increases at a maximum of 1.75%

4. National Minimum Stipend increase at 1.50%

5. Pension Contribution rate of 39.90%

B1 - Stipends

These costs are divided between direct and Indirect costs as follows: -

	Budget 2016	**Budget 2017**
Direct Costs		
Stipends	6,511,833	6,463,523
National Insurance	561,459	530,532
Council Tax/Water Rates	708,378	701,448
Stanley Trust	(121,800)	(123,800)
Total Direct Costs	7,659,870	7,571,703
Indirect Costs		
Relocation Costs	183,298	186,964
Dignitaries	354,885	371,270
Training	179,543	172,510
Miscellaneous Costs	198,476	180,375
Total Indirect Costs	916,202	911,119
Budget Requirement	8,576,073	8,482,822

Considerable work has continued throughout the last twelve months to ensure that the deployment and share calculations remain consistent. This in turn helps with the deployment models and planning carried out throughout each deanery.

In the course of the year the Archdeacons have been working on a Squad and Team concept, where the Squad equates to the "Establishment" or posts that would be filled if the Board could afford and the resources were available for every existing post to be filled. The Squad is the actual Stipend budget that is reflected in the table above and represents the number of posts that can be filled at any one time. The difference is known as the vacancy factor that was introduced some years ago and remains at 7%.

This is a natural vacancy factor. It has been identified that when a vacancy occurs, there is a natural time delay before the new Incumbent is appointed and takes up post – thus creating a natural saving within the budget. This is reflected in the costing models. It should be added that whilst this will put budgetary pressure on the Senior Staff, the priority is to remain filling as many posts with the right candidates as soon as possible. Certain contingencies have been put in place if the stipend budget is to exceed expectation in 2017 and future years, so it is important that this introduction of a vacancy factor is not seen as a cut or a deliberate attempt to delay appointments it is purely designed to reflect the reality of the situation

The figures reflect a reduction of 6 posts in 2017 as part of the overall reduction agreed in March 2012.

Included in the costs is the curate pool that remains at 38 posts – but does include an intake of 12 in 2017. This represents the full allocation of curates and is in line with the aspiration outlined in the Mission and Ministry Strategy approved by Synod in 2009. There is a small vacancy factor built into the curate’s pool in 2017, due to the lower than expected numbers that were appointed in 2016. This has been adjusted in year 2 Curates within the budget but will be factored out provided the recruitment of curate’s increases back to the desired pool budget of 38 posts.

The total number of stipendiary posts in the Budget is now set at 293 – it is expected to fall to around 288 by 2018.

Stipend Increases – In light of the current economic climate and financial pressures on the Board it has been agreed to increase the Diocesan Minimum Stipend (DMS) by 1.75% from April 2017. The National Minimum Stipend (NMS) is set to increase by 1.50% from April 2017. Nationally each Diocese is asked to set their DMS between the parameters of -1.50% and +2.50% of the Regional Stipend Benchmark (RSB). This RSB is set based on the NMS plus or minus factors for each particular area based on demographic data.

Lichfield currently pays just under the RSB, and therefore such a recommended increase in DMS from April 2017 will provide an estimate figure in line with the RSB, and keep the diocese in line with our neighbouring diocese.

Relocation costs include Removal costs, Settling in Allowances and where applicable First Appointment Grants. Miscellaneous Costs includes Glebe Land outgoings, plurality expenses and sequestration costs. Most of these have been increased in line with the internal inflation rate included in the assumptions. There is an additional allowance included under Miscellaneous costs for any change or agreements put in place regarding payments to Voluntary Ministers.

Post	Jan to Mar 2017	From April 2017
Diocese Stipend	£24,785	£25,220
Curate Stipend	£23,485	£23,900*

- The curate stipend must be a minimum of the NMS, so may change if the NMS recommendation exceeds the figure quoted

B2 – Housing

	Budget 2016	Budget 2017
Repairs	1,302,847	1,362,000
Other Outgoings	110,000	130,000
Mortgage Costs	-	-
Contingencies	28,976	29,651
Total Housing Budget	1,441,823	1,521,651
Administration	253,812	264,365
Property Dept Budget Requirement	1,695,635	1,786,016

The housing budget takes into consideration an average cost per house, so is closely linked to the housing stock. It will therefore in due course reflect any reduction in the number of houses as a result of the policy of selling surplus houses, as well as the increase in the cost of maintaining houses to the desired specification.

Overall the budget has increased by 5.69%. The Housing Budget does have a 4.00% up lift in expenditure but is then adjusted to take into consideration the current housing stock levels. This is required to maintain the correct balance on the Cost of Ministry formula; however experience to date has shown that the number of houses is not reducing at the same rate due to the appointment of part time posts and increased number of House for Duties. This in turn naturally reduces the average expenditure per property in “real terms”.

The Administration costs include the staffing costs required by taking in house the work of the Diocesan Surveyor. This decision has shown a significant increase in quality of work and value for money in areas of expenditure and there are savings of surveyor’s fees on various projects.

The budget is continually under pressure but remains a crucial element of the diocesan finances in maintaining the assets of the Board and more importantly clergy morale.

In addition to the Budget stated above the Budget Review Group has recommended to the Finance and Central Services Committee that an additional £280,000 be released from the Boards Designated funds over a maximum of three years to support in going works and other essential works linked to the recruitment policy discussed earlier in the year.

B3 – General Synod

	Budget 2016	Budget 2017
National Church Responsibilities	337,395	362,501
Training for the Ministry	467,546	443,198
Church Housing Assistance for Retired Ministers	129,499	134,961
Mission Agencies Pension Support	23,351	3,754
Budget Requirement	957,791	944,414

Lichfield Diocese's contribution to General Synod represents 3.04% (3.20% in 2016) of the overall General Synod budget totalling £30,987,660 (an overall decrease of 3.50% on 2016).

The Lichfield Apportionment has decreased due to the calculation of pooling support and to the number of Ordinands the Diocese has in training. This is reflected in the adjustment under Vote 1. In 2016 there was an additional adjustment of £70,475 compared to an additional contribution of £32,600 in 2017. This particular pool cost is under review and a new mechanism is currently being trialled in 2016/17 where the funds will be allocated differently and apportioned to Diocese who will then meet the training costs direct. The change is known as Resourcing Ministerial Education or RME. The effect on the Board is unknown but indications are a slight increase in costs initially but then these costs can be managed at Diocesan Level in the future.

B4 – Administration

The Budget for 2016 reflected the changing environment in which the Diocese operates. Following on from the increase in 2015 of 6.88%, due to the restructure in operations, it has been possible to reduce the central administration costs by 1.33% in 2016. However for 2017 there is an increase in Central Administration Costs of 11.68%. This is partly due to the loss of income from the Cathedral SLA that has ended, and including the replacement income from St Chads Retreat Centres into the main body of income. In addition there is the reinstatement of a second Communications Officer – although the Budget for the Diocesan Trust has been reduced considerably to reflect the strategic decision to reduce the size and operations of the Trust. DAC has increased to offer support to the Committee, however this is a transfer from another area of the Budget, following the retirement of the Rural Officer.

Overall these costs in total represent 6.57% of Diocesan Expenditure. For a charity of the size of the Diocese the accepted administration par is between 6% and 7%. However these costs are split between Diocesan Office, Statutory and Legal and Services to Parishes. The actual cost of direct administration (Diocesan Office) only represents 3.26% of overall Diocesan expenditure. Services to Parishes represent a further 1.78% and Statutory and Legal 1.53% as follows:

Lichfield Diocesan Board of Finance Administration	**Budget 2016**	**Budget 2017**
Diocesan Office/St Mary's House	500,358	564,046
Services to Parishes	261,453	307,517
Statutory and Legal	231,367	264,305
Budget Requirement	993,358	1,135,868

Lichfield Diocesan Board of Finance Services to Parishes	**Budget 2016**	**Budget 2017**
Safeguarding (exc DBS)	36,248	36,882
Communications	74,701	126,007
Parish Resources	97,588	109,286
Diocesan Trust	52,916	23,842
Church Building Support Officer	-	11,500
Budget Requirement	**261,453**	**307,517**

Lichfield Diocesan Board of Finance Statutory & Legal Costs	**Budget 2016**	**Budget 2016**
General Synod Representation	16,667	16,834
Diocesan Synod	5,747	5,804
Diocesan Mission and Pastoral	28,756	29,259
Committee Expenses	7,440	5,862
Diocesan Registrar's Retainer	63,888	72,160
Diocesan Registrar's non-retained work	4,218	5,227
Clergy Discipline Measure	15,250	10,000
Chancellor	3,500	1,403
Faculty Fees	19,024	28,000
Parochial Registrars & Records Measure	1,000	-
Patronage Boards	2,000	-
DBS Expenses	11,737	11,944
Diocesan Advisory Committee	52,141	77,811
Budget Requirement	**231,367**	**264,304**

B5 – Central Support Services

This section includes the work of the Central Sector Ministry and again has gone through some reorganisation to provide the services that are required to fulfil the current strategies and vision. The work (excluding Education) falls under the guidance and Leadership of the Bishop of Shrewsbury and this enables the areas to work together and maximise the excellent resources that are available to parishes. Education has its own Statutory Board and falls under the direction of its own trustees.

The most significant change to this section of the budget was in 2013 when the Central Budget included Area Posts so the budget became more transparent and therefore allows the Bishop's Council a more strategic approach on the central services that are required. This also ensures that the true cost of all the services that are provided are clearly shown in the Budget. Previously the stipends and associated costs of Area officers were not included in this section.

However due to reductions in deployment, it is important to note that in order to retain an acceptable increase in Cost of Ministry, and to retain this area of the budget under the Synod policy of 10% - the Central Support Services were asked to reduce by £150,00 before the end of 2015.

Due to timing and some restructure, the 2015 Budget showed a slight increase. This has been reduced for the 2016 budget by 2.80%. It should be noted that the target of £150,000 has been achieved with the final reductions by the end of 2016 and with further retirements in the not too distant future, all posts will be reviewed fully before they are filled, unless there is a statutory requirement.

The total cost is equivalent to 7.41% of the Diocesan Budget. The work is split into four sections as follows: -

Lichfield Diocesan Board of Finance Central Support Services	**Budget 2016**	**Budget 2017**
Ministry	595,221	606,789
Mission	295,579	306,100
Transforming Communities	147,694	129,021
Education	138,695	135,622
Budget Requirement	1,177,189	1,187,532

1. **Ministry**

This section includes Ministry Development, Local Ministry and Ministry Vocations as well as Pastoral Counselling. It covers work and support in developing the continued Ministerial Education of both Stipendiary and Non Stipendiary Ministry as well as developing Lay Ministry. From September 2015 there has been a revised agreement with Queens College in Birmingham who are running the Local Ministry Scheme within the Diocese, creating a satellite centre at Shallowford. This exercise is hoped to be cost neutral in the long term but some transitional support may be required in the short term. This budget includes Ministry Development Advisers

2. Mission

In addition to providing Local Mission and Evangelism, this area also covers the work of:-

- Outreach work of the Director of World Mission
- Co-ordinating Fresh Expressions, Pioneer Ministry and Messy Church across the Diocese.
- Reaching New Generations
    i. Youth & Vocations Enabler
    ii. RNG – 6 – 10 Schools Enabler
    iii. RNG - Under 5 Enabler

3. Transforming Communities

This section embraces different roles and ministry across the Diocese. The three main departmental priorities are environmental concerns, sharing ministry with older people, and tackling poverty and causes of poverty. The department includes mission in the economy and interfaith matters, as well as links with the Mother's Union, rural ministry, mental health chaplaincy, prison and community chaplaincies. Particular emphasis has recently been placed on twinning parishes under the "For Richer For Poorer" events, and also tackling poverty, promotion of Credit Unions and tackling churches being more Dementia friendly. The department facilitates a variety of support networks and is committed to promote inclusivity across the Diocese.

4. Education

The Board of Education supports the Church of England Schools across the Diocese in helping to promote and assist in the promotion of Education in the Diocese, which is consistent with the faith and practice of the Church of England. In addition to promote or assist in the promotion of religious education and religious worship in schools in the Diocese.

These are exciting times in Education with the development of work with the new Academies and the creation of CECET (Church of England Central Education Trust). Further support to assist the advancement of this work may well be needed in further years. However it is equally hoped that the work with the Academies will be self-financing over time.

In addition there will be £70,000 made available to the Education Board in 2017 to continue to assist with the Transitional Restructure.

B6 – Development Funding (Strategic Budget)

Over the last three years, through the policy to allocate £1.75m towards stipends from the funds and support from the National Church, the Diocese has been able to allocate £2m towards Mission projects across the Diocese. This has been done in three forms, mainly through Addition For Mission (in excess of £1.1m), the Growth

Fund (£600,000) and Mission Development Funding – small projects, but most noticeably supporting the Readers Banquet.

2017 represents the start of a new 9 year funding stream, broken into three year allocations. As previously mentioned the National Church have changed the way the Mission and Ministry Allocation is apportioned across the Diocese. The old complicated Darlow formula has now gone, and been replaced with a more simple mechanism that takes into consideration Population and Deprivation. This has meant the Diocese has moved from fifth to second in the list of benefactors of the Allocation system. The funding for the next three years has been confirmed as follows, with the proposed apportionment at Diocesan Level

Budget	2017	2018	2019
Stipends	£1,750,000	£1,750,000	£1,750,000
Strategic Budget	£ 476,778	£ 445,004	£ 418,550
Total Allocation	£2,226,778	£2,195,004	£2,168,550

The total allocation will decrease until 2023, when the total allocation will be approximately £2.10m.

In addition the Diocese will receive a one off transitional payment of £733,633 – which has been set aside specifically for Bishop Michael's priorities. There are no constraints on the funds expenditure but they must be spent by December 2019.

It should be noted however the Mission Development Funding, last year £277,500 has now ceased.

Therefore if we ignored the Transitional Funding the amount actually being received from the National Church for Mission and Ministry has fallen from £2,541,209 in 2016 to £2,226,778.

Growth Fund

As reported last year, with the cessation of Mission Development Funding by the National Church with effect from 2017, then if the Growth Fund is to continue either in its current format or a revised format, then the funding will need to be found from a different source. It is proposed that after 12 years and a total allocation in excess of £3m, it is time to reflect and change the system.

The Growth Fund and the current Diocesan Parish Projects Loans and Grants Committee will merge and form a new body called Resourcing Parish Mission. The new body will have funds to allocate to support parish projects but will change the approach to a more strategic one. It will work with parishes on developing a strategy and then consider how best to support the parish.

Consideration will continue to be given to smaller projects, such as Noticeboards, Mission Weekends and Audio/vision systems. In addition current projects may be wishing continuation funding, so again this will need to be taken into consideration in due course.

Initial Allocation

Whilst further thought needs to be given to future allocations, the following proposals/initial thoughts have been approved by Bishop's Council

Strategic Budget		2017	2018	2019
Additional Commissioners Funding		476,778	445,004	418,550
Transitional Funding		733,633		
Resourcing The Future		-		
		1,210,411	445,004	418,550
Seedcorn Mission Fund	RPM	150,000	150,000	150,000
Safeguarding		50,000		
Walsall S Peters AFM Continuation		50,000	50,000	50,000
Unallocated Strategic Development		226,778	245,004	218,550
Transitional Funding (+M Strategic Priorities)		244,544	244,544	244,544
		721,322	689,548	663,094
Balance		489,089	(244,544)	(244,544)
Accumulated Balance		489,089	244,544	-

B7 – DBS Pension Liability

In September 2012 the DBS Pension was closed to Lay Staff. As a result the future pension liability payments in the Diocesan Budget had fallen by £100,000 to £79,589.

The latest valuation of the DBS Scheme shows that the fund is now in Surplus to the sum of £66,000. Therefore there is no requirement in 2016 to make deficit repayments.

In the 2015 Budget it was decided to include the costs of the administration of the fund, £10,800 per annum, this had previously been taken from contributions in the past, but the Scheme is now closed. This annual sum could be taken from the surplus if the diocese so desired. However it was decided to protect the surplus and pay the administration fee on a monthly basis as part of the overall contributions.

In the 2015 budget there was also a contingency payment of £39,800 to be transferred into a designated fund in order to build up a contingency reserve ahead of the next valuation at the end of 2016. However it the Budget Review Group have decided that at this present moment whilst there may be a need to build up some form of contingency reserve, using the Diocesan Budget seems inappropriate. Therefore the administration fee has been added to the Admin budget and the remaining contingency removed from the budget. If the Board is fortunate to make a surplus at the yearend then this may be used to build up the Pension reserve.

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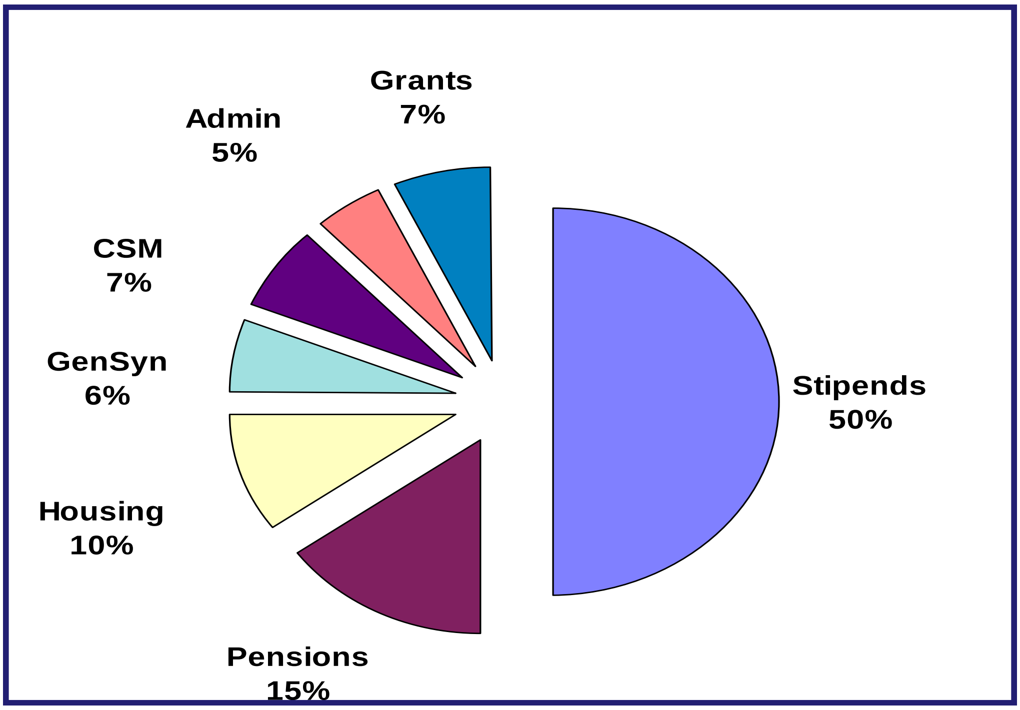
The new Defined Contribution Scheme that commenced from October 2012, has up to 15% contribution costs depending on contributions from staff, but has the added bonus of not increasing any future liabilities.

Overall with the reduction in contributions and closure of the scheme this has saved the Board £300,000 per annum for the foreseeable future.

Diocesan Budget Expenditure 2017



C. Forecast for Shortfall in Income

Since 2006, the Board has not budgeted for 100% Share collection by the end of January the following year. Although it would very much like to achieve this target, it is unrealistic – in fact, no Diocese in the country has reported such a high collection rate of their current year's Share apportionment. Therefore, in order to ensure the expenditure budget is set against a realistic level of anticipated income, a shortfall provision is included within the budget.

The calculation of the provision for shortfall is quite complex. As the Board has a policy of making a provision for doubtful debts in the accounts for all share arrears as at the year end, then share paid after the year end relating to prior years apportionment need to be taken into consideration. This is to avoid including all share arrears in the overall Board reserves.

In light of this the collection rate is monitored in two ways. Current Years Share, which in an ideal world would be collected by 31 December each year or 31 January the following year. This figure averages between 93% and 94%, although the 2012 figure was low at 91.90%, in 2013 this figure was 93.80%, 2014 the collection figure was 94.15% whilst in 2015 the collection figure was 94.16%.

However to take into consideration arrears payments as explained above the monitoring system used looks at all cash received in relation to share payments over a 12 month rolling period.

This allows an indication to be given on share to be collected in cash terms in any one year. This is known as Overall Share receipts. The target had been set at 96% collection rate of overall share receipts. It is against this target the provision in the budget is set. With the changes in the Share Apportionment System and taking into consideration recent Share receipt figures, FACS were satisfied and recommended that the provision remained unchanged at 4%. In 2015 the overall 12 month collection figure was a staggering 98.53% compared to 95.01% in 2014.

Overall Share collected in a 12 month period as a percentage of total Share requested

	2009	2010	2011	2012	2013	2014	2015	2016
Jan	97.42%	95.49%	95.98%	95.02%	94.17%	96.48%	95.45%	97.60%
Feb	96.06%	97.43%	95.11%	95.08%	94.85%	96.18%	94,52%	98.89%
Mar	96.97%	96.47%	95.07%	94.77%	94.83%	96.12%	95.83%	97.95%
Apr	97.06%	95.26%	94.86%	95.37%	95.82%	95.52%	96.20%	97.14%
May	96.13%	95.13%	94.85%	95.68%	95.89%	95.27%	96.44%	97.69%
Jun	95.89%	96.43%	94.59%	95.03%	94.45%	96.54%	96.78%	97.60%
Jul	95.65%	95.26%	95.24%	95.75%	95.50%	94.86%	97.58%	96.61%
Aug	94.75%	96.37%	95.49%	95.78%	95.17%	94.14%	98.89%	95.95%
Sep	94.89%	95.81%	96.08%	94.75%	95.48%	94.56%	98.63%	96.43%
Oct	94.92%	95.39%	96.09%	94.93%	95.69%	94.33%	97.95%	
Nov	95.30%	95.61%	95.82%	94.82%	95.77%	93.95%	98.83%	
Dec	96.20%	96.49%	94.73%	94.69%	95.46%	95.01%	98.62%	

**The figures are correct as at the end of September 2016*

The figures represent the Total Cash received in the preceding 12 months irrespective of year of allocation as a percentage of total share requested in the same period.

Whilst there will be arguments that 96% is too high and it is accepted that there is an element of risk involved; the Finance and Central Services Committee looked at the level of overall receipts in each of the last five years.

Year	Total Receipts in Calendar Year £'000
2011	11,218
2012	11,258
2013	11,077
2014	11,026
2015	11,432

With the revised share requested from parishes and a shortfall provision of 4% the net amount budgeted to be received in the Budget for 2017 is £11.102m (2016 £11.156m). This is not deemed to be an unreasonable expectation and it is on these grounds that the shortfall provision has been retained at the current level.

Regular Share Contributions

In 2005 the Finance Committee challenged the Diocese to increase the amount of share received on a regular basis through Standing Order or later Direct Debit to 60%. With the registration of Direct Debit payments there has been an increase of regular direct payments as reflected in the table below – one challenge we faced as a Diocese is to try and increase that to 60% in 2015. This target was actually achieved in 2014 but the challenge is to now retain that level and if possible increase it. Something by every parish every month would make a significant difference to the liquidity of the Board – which in turn can help with keeping the Parish Share increase to a minimum each year as it allows the Board to generate greater internal income.

AS AT 31 DECEMBER 2015	64.87%
AS AT 31 DECEMBER 2014	62.56%
AS AT 31 DECEMBER 2013	59.11%
AS AT 31 DECEMBER 2012	55.27%
AS AT 31 DECEMBER 2011	52.69%
AS AT 31 DECEMBER 2010	53.28%
AS AT 31 DECEMBER 2009	50.69%
AS AT 31 DECEMBER 2008	49.20%
AS AT 31 DECEMBER 2007	46.90%
AS AT 31 DECEMBER 2006	45.85%
AS AT 31 DECEMBER 2005	41.98%
AS AT 31 DECEMBER 2004	33.73%

In recent years the actual performance in cash terms and number of parishes is as follows:-

	2015	2014	2013
Direct Debit – Parishes	207	194	187
Direct Debit Receipts	4,244,247	3,910,487	3,580,348
Standing Order – Parishes	139	150	153
Standing Order Receipts	3,141,116	3,202,583	3,161,247
Total – Parishes	346	344	340
Total Receipts	7,385,363	7,113,070	6,741,595

In 2016 fifteen Deaneries (2014: 15 deaneries) pay regularly via Standing Order or Direct Debit and achieve the 60% benchmark as follows:-

Deanery			Deanery	%
Newcastle	89.84%		Cheadle	71.82%
Stafford	84.92%		Shrewsbury	69.31%
Lichfield	83.39%		Walsall	67.12%
Penkridge	82.18%		Telford	64.12%
Edgmond & Shifnal	77.27%		Oswestry	63.00%
Wolverhampton	74.93%		Stoke	62.92%
Hodnet	74.04%		Tutbury	62.71%
Eccleshall	72.81%			

D. Strategy

The 2017 Budget is set in the context of a longer term corporate strategy – continuing to bring vision and finance together. It very much remains vision and Mission based and not financially driven. It is appreciated that within it there are planned reductions in stipendiary numbers and reductions in other areas of work – however it must be remembered that due to falling resources this would have naturally happened.

What the budget tries to do is free up funds to be used in supporting the Five Themes. This shows the intention to invest and continue to support new and existing diocesan projects that demonstrate and fulfil the aims of the Diocese to Transform Communities, Reach New Generations and Growing Disciples. Hopefully parishes will continue to demonstrate Practicing Generosity in delivering the Share and together that will enable the Diocese to all Discover the Heart of God. The Budget is very much driven by the diocesan Vision of Going for Growth by explicitly embracing the five themes.

E. Forecasts

As reported last year the 2016 budget represented a rebalancing for future years. The aim was to ensure that budgets going forward would be self-financing and this is shown in the latest forecast tables.

Future projected reductions are in the forecasts where known, such as in stipendiary posts, as well as estimated increases and fluctuations in particular areas of the income and expenditure.

The next triennial review of Clergy Pensions is due at the end of December 2018. Due to the recent recovery in certain market sectors, the 2015 review was positive and no increase in contributions was necessary. An option was given to increase contributions to try and expedite the repayment of the deficit, but this was overwhelmingly rejected by Diocese.

Despite all the changes it remains key to any budget that the Board not only considers the current requirements and liabilities but tries to have a policy and process for future years. This avoids having a budget that satisfies the requirements of one year but simply stores up problems for later years. It is with this in mind that the Budget document and process normally includes a short-term strategy for the forthcoming 24 months, a medium term forecast for the next three years and a long-term view beyond 5 years. It is believed this has been achieved with this budget.

At this particular moment it is not possible to make accurate forecasts, due to unknown unknown factors surrounding potential changes at the National Church level, including the introduction of RME (Resourcing Ministerial Education) in 2018. The forecasts included within this document include what is known and what is being requested of Budget holders, however forecasts are forecasts and not Budgets set in stone.

Church Commissioners Allocation and Strategic Budget

As previously reported the National Church has recognised a need for a longer term policy rather than the now antiquated triennial funding system. The policy is called Resourcing the Future. The decision to scrap the complicated Darlow formula used for Ministry or Stipend Support is very much welcomed. The replacement formula is more simplistic and based around Population and Average Income figures provided by the Office for National Statistics. More importantly this has allowed the Church Commissioners to give an indication of support for the next 9 years.

The negative is that the Mission Development Funding ceases for 2017 onwards – which was to be expected. In total the amount received by the Diocese will reduce but should still allow the Diocese to finance the day to day activities and also allow significant funds to be used for strategic work.

To replace the Mission Development Funding, the National Church has added considerable sums to a Strategic Development Funding allowance. This is a fund of around £24m per annum that Diocese may apply to for specific areas of work. The process is quite detailed and a current bid from Lichfield for Ministry and Mission Communities is being prepared.

It is expected that the Diocese will receive a total of £2.2m per annum until 2019 and then £2.1m from 2020 to 2025. The Budget Review Group have decided that in line with the policy approved three years ago to maintain the stipend support at £1.75m and this is reflected in the forecast model. The additional funding is transferred to a strategic fund for Mission orientated work across the Diocese – this will operate in a similar way to the Addition for Mission funding.

In addition to this funding the Diocese is trying to build up a Restricted Strategic Fund – also called Resourcing the Future. The concept is that the Diocese from Property and Glebe sales and developments proceeds will create a fund of approx. £7.5m by the end of 2018. Due to work in the current year the fund potentially already stands at £3m. The new fund will retain the capital value at £7.5m and aim to generate £350,000 per annum to support the Strategic work of the Diocese, making a total fund of £700,000 per annum.

It is important to note that the priority will remain in ensuring the Day to Day or maintenance budget is not adversely affected by this new fund. It will be designed to complement the budget and ensure that strategically mission orientated development work is not finance by the parishes. The diocesan budget will continue to support the day to day work in the diocese – Stipends, Housing and Central support.

Lichfield Diocesan Board of Finance
Summary Maintenance Budget 2017

Diocesan Budget 2017

	Budget 2016 £	Budget 2017 £	Change %
Financed by			
Parish Share	11,621,175	11,565,100	(0.48)
Mission Development Funding	277,750	-	(100.0)
Additional Commissioners Allocation	513,458	1,210,411	135.74
Other Stipends Income	1,872,795	2,003,512	6.98
Training Income	39,345	40,180	2.12
Investments & Donations	1,071,778	1,160,340	8.26
Total Income A	15,396,302	15,979,543	3.40
Expenditure			
Stipends	8,576,073	8,482,822	(1.09)
Clergy Pensions	2,449,968	2,474,565	1.00
Housing	1,695,635	1,786,016	5.69
General Synod	957,791	944,414	(1.40)
Administration	993,358	1,135,868	13.81
Central Support Services	1,176,057	1,187,532	0.88
Diocesan Growth Fund	200,000	-	(100.0)
Diocesan Projects	89.250	-	(100.0)
Mission Development (Seedcorn)	513,459	1,210,411	135.74
Miscellaneous Grants	29,864	45,312	51.73
Total Diocesan Expenditure B	16,681,455	17,266,939	3.51
Shortfall A-B	(1,285,153)	(1,287,396)	(0.00)
Church Comm Ministry Support **	1,750,000	1,750,000	-
Contingency in Shortfall in Inc	(464,847)	(462,604)	(0.48)
Transfer to/(from) Reserves			

** - The Church Commissioners Ministry Support Allocation for 2017 is £2.223m. £1.75m of this Allocation is being treated as more secure and longer term funding whereas the £0.473m is being treated as variable and shorter term funding and therefore being used to support specific identified Mission orientated projects.

Lichfield Diocesan Board Of Finance
Summary Maintenance Budget 2017

FORECAST BUDGET 2017 TO 2022

	DRAFT 2017 £	FORECAST 2018 £	FORECAST 2019 £	FORECAST 2020 £	FORECAST 2021 £	FORECAST 2022 £
INCOME						
PARISH SHARE	11,565,100	11,680,751	11,914,366	12,152,653	12,395,706	12,643,621
CHURCH COMMISSIONERS: STIPENDS ALLOCATION	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000
CHURCH COMMISSIONERS - ADDITIONAL FOR MISSION	1,210,411	445,004	418,550	400,000	380,000	370,000
OTHER STIPENDS INCOME	2,003,512	2,053,565	2,125,019	2,178,114	2,232,696	2,288,808
TRAINING INCOME	40,180	40,984	41,803	42,639	43,492	44,362
INVESTMENTS & DONATIONS	1,160,340	1,183,243	1,206,624	1,230,494	1,254,865	1,279,745
TOTAL BUDGET INCOME	**17,729,543**	**17,153,546**	**17,456,362**	**17,753,901**	**18,056,760**	**18,376,536**
EXPENDITURE						
STIPENDS	8,482,821	8,567,406	8,756,614	8,932,046	9,095,003	9,260,787
PENSIONS	2,474,565	2,500,342	2,547,258	2,593,219	2,634,916	2,677,243
HOUSING	1,786,016	1,840,661	1,877,474	1,915,024	1,953,324	1,992,391
GENERAL SYNOD	944,414	963,301	987,384	1,012,068	1,037,370	1,068,491
ADMINISTRATION	1,135,868	1,155,745	1,175,971	1,196,550	1,217,490	1,238,796
CENTRAL SUPPORT SERVICES	1,187,532	1,165,268	1,185,552	1,206,190	1,227,186	1,248,548
MISSION DEVELOPMENT POSTS (SEEDCORN)	1,210,411	445,004	418,550	400,000	380,000	370,000
MISCELLANEOUS GRANTS	45,312	46,218	47,143	48,085	49,047	50,028
TOTAL DIOCESAN EXPENDITURE	**17,266,939**	**16,683,945**	**16,995,946**	**17,303,183**	**17,594,336**	**17,906,284**
Budget Incoming/(Outgoing) Resources	462,604	469,600	460,416	450,718	462,423	470,251
Less Provision for Shortfall in Share Receipts	(462,604)	(467,230)	(476,575)	(486,106)	(495,828)	(505,745)
Surplus/(Deficit)	**(0)**	**2,370**	**(16,159)**	**(35,388)**	**(33,405)**	**(35,493)**
Transfer (to)/from Pension Reserves						
Budget Surplus/(Deficit) for the year	**(0)**	**2,370**	**(16,159)**	**(35,388)**	**(33,405)**	**(35,493)**

Lichfield Diocesan Board Of Finance
Summary Maintenance Budget 2017

Lichfield Diocese – Cost of Ministry 2017

DIRECT COST OF STIPENDS	**Cost 2017 £**	**Pence Per/£ 2017**	**Cost 2016 £**	**Increase %**
Stipend	25,111	*37*	24,724	1.57%
National Insurance	1,924	*3*	1,939	(0.78%)
Employers Pension	9,440	*13*	9,254	2.00%
Council Tax	2,179	*3*	2,147	1.49%
Water Rates	497	*1*	489	1.64%
Housing Repairs and Maintenance	6,376	*9*	5,929	7.54%
TOTAL DIRECT COST PER POST	**44,482**	***66***	**44,482**	2.35%
Cost of training curates	6,640	*10*	6,722	(1.22%)
Training of Ordinands	2,527	*4*	2,144	17.91%
TOTAL COST OF TRAINING FUTURE VICARS	**9.168**	***14***	**8,866**	3.40%
TOTAL COST OF MINISTRY IN PARISHES	**54,694**	***80***	**53,348**	2.52%
Other costs to be covered:-				
Expenses of Office	1,001	*1*	999	0.18%
Specialist Ministry	6,302	*9*	6,092	3.44%
Statutory & Admin Costs	4,662	*7*	4,014	16.17%
Contribution to the National Church	2.057	*3*	1,980	3.87%
Total Other Costs	**14,033**	***20***	**13,085**	7.24%
Average Gross Cost per post	**68,727**	***100***	**66,433**	3.45%
Less Income from Other Sources				
Diocesan Generated Income and Reserves	15,958		14,433	10.47%
Total Net Cost per post	**52,760**		**51,990**	1.47%

** Church Commissioners Allocation has been removed from the overall Cost of Ministry to be apportioned through a weighted formula to support Ministry in specific areas. If the Allocation had been included then the Net Cost of Ministry for 2017 would be £45,576 compared to £44,917 in 2016. The above table shows that 80% of costs are directed to support Ministry in the parishes compared to Share creating 64.30% of the income generated in the year.