

**MANCHESTER DIOCESAN
BOARD OF FINANCE**

2022-2024 Budget

Diocesan Synod

9 October 2021



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Overview – Financial Performance

(excl Sustainability funding and Un/Realised Gains or Losses)

Year	Description	£'000
2018	Operating Deficit	607
2019	Operating Deficit	1,294
2020	Operating Deficit	1,685
2021	Projected Deficit	2,023
2022	Budgeted Deficit	1,481
2023	Budgeted Deficit	885
2024	Budgeted Deficit	495

Income and Expenditure (unrestricted funds only)

	Actuals	Actuals	Plan	Forecast	Plan	Plan	Plan	Narrative - assumption for 2022 - 24 budgets updated September 2021
	2019	2020	2021	2021	2022	2023	2024	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
<i>Parish Share - Agreed and assessed</i>	7,315	7,476	7,576	7,576	7,637	7,790	7,946	<i>2022 PS is based on Discussion and Agreement agreed amounts and an inflation factor for parishes unable to meet through D&A due to COVID-19</i>
Income								
Parish Share Actuals / Forecast	6,807	5,707	5,780	5,800	6,250	6,525	6,800	<i>2022 budget is mid point between 2019 and 2020 receipts</i>
Church Commissioners Income	2,655	3,814	2,568	2,568	2,518	2,488	2,458	<i>Incorporates LINC funding 2020-2022. This doesn't include the additional funded projects by National Church including Strategic Development Funding, Restructuring funding, Transformation funding etc</i>
Glebe income	689	468	478	400	420	454	484	<i>Reflects current lease negotiations and potential disposal of properties impacting on income during 2022 then increase in income in 2023 and 2024 due to returns on investments from sale glebe land / property</i>
Housing Income	217	217	155	170	85	55	30	<i>Budget reduced based on planned property disposals affecting future rental income.</i>
Parochial Fees (net)	499	511	500	450	475	475	475	<i>Reduction based on actuals for 2021.</i>
Other income	113	104	139	118	118	118	118	
Church House Company	265	419	250	250	250	320	320	<i>Currently assumes gift aid income from property activities then potential increase in income from investment returns from the sale of Church House</i>
Other income - Parsonage Maintenance Support	300	300	795	795	795	795	795	<i>Transfer from Pastoral Account from gains on disposal of parsonages</i>
Donations	267	491	252	353	237	237	237	
Investment Income	435	383	456	390	399	399	505	<i>Budget reduced for 2022 due to cashflow requirements and increased by 2024 to reflect investment income from proceeds of property sales.</i>
Total income	12,248	12,414	11,374	11,294	11,548	11,867	12,222	
Expenditure								
Stipendiary Payroll	7,707	7,823	7,568	7,773	7,471	7,256	7,197	<i>2% stipend increase for 2022. Also assumes reduction in clergy posts over the three year period. Assumes reduction in pension contributions from 2023 by 3.55% due to completion of pension deficit repayment</i>
DBF Payroll	1,745	1,537	1,590	1,582	1,566	1,596	1,626	<i>2% pay increase for 2022.</i>
Operating Costs	1,795	1,424	1,783	1,694	1,853	1,766	1,766	<i>Includes removal costs from Church House.</i>
Glebe Costs	151	171	117	190	110	105	100	<i>Reduction in expenditure due to planned sales of the glebe portfolio</i>
Housing Costs	1,230	1,053	1,269	1,308	1,260	1,260	1,260	
National Costs	774	751	630	630	629	629	629	
Education Support Payment	140	140	140	140	140	140	140	
Total expenditure	13,542	12,899	13,097	13,317	13,029	12,752	12,717	
Surplus/(deficit) on unrestricted funds	(1,294)	(485)	(1,722)	(2,023)	(1,481)	(885)	(495)	
Realised Gains on Land / Property Sales	201	1,626			1,000	1,500	1,000	
Surplus/(deficit) including Realised Gains	(1,093)	1,141			(481)	615	505	

Key budget assumptions 2022

Income	2022	Increase /
	Budget	(Decrease) from
	£'000	2019
		£'000
Parish Share	6,250	-557
Church Commissioners	2,518	-137
Glebe income	420	-269
Housing income	85	-132
Parochial Fees	475	-24
Parsonage Maintenance	795	495
Investment income	399	-36

Key budget assumptions 2022

Expenditure

	2022 Budget	(Increase) / Decrease from 2019
	£'000	£'000
Stipends	7,471	236
DBF Payroll	1,566	179
Operating costs	1,853	-58
Housing costs	1,260	-30

National Church Grant Funding

	£'000
Church Commissioners Grant funding	
Stipendiary payroll	650
DBF Staff payroll	510
Operating costs	35
Housing costs	17
Total	1,312

Clergy numbers

2021 Budget	187
Actuals - 31/8/21	196
Fcst - 31/12/21	184
Budget - 31/12/22	180
Budget - 31/12/23	175

Stipendiary Clergy

Ministerial Staffing Costs

Cost of incumbent-status minister

	£
Stipend	26,461
Employer's NI (Inc. effect of HLC)	2,551
Pension contribution	10,233
Housing costs	9,000
Total	48,245

Parish Share

- Discussion & Agreement process under review
- Proposed 2% inflation factor for parishes that have not had D&A for '20 & '21 due to Covid-19
- Plan for recovery in 2022
- Possible changes to Parish Share scheme from 2024

Financial Strategy

Short-Term

- Operating deficits for the next three years to be funded by realised gains on land/property sales

Medium- to Long-Term

- Grow our congregations – seek Church Commissioner funding for Transformation Programme
- Increase Giving and Generosity
- Increase levels of Parish Share
- Divest ourselves of property portfolio and invest proceeds for income and capital growth
- Use a percentage of proceeds from parsonages disposals to fund parsonages refurbishment programme
- Continued focus on clergy numbers and the effective deployment of clergy – focus on the future of our most fragile churches

Recommendations

Diocesan Synod to approve the 2022-24 budget as set out in the report.

Diocesan Synod to approve the 2% uplift for parish share.

Diocesan Synod to approve the 2022 parish share assessment as set out in the report.