

## Long-term financial forecast

The following is a long-term financial trajectory for the diocese on the basis of the proposals. It factors in the financial benefits of:

- Growing congregations and therefore a growing giving base – from the Missional Planning Reviews, resource and revitalisation work and other core mission and growth work
- More general improvements in giving and stewardship – from the Generous Churches work
- More diverse income streams for parishes and churches – from the Sustainable Churches work

The benefits of the proposals in the medium term are churches and parishes being released from the burden of financial anxiety and freer to spend money on local mission and ministry. These benefits are delivered by and assume:

- i. A balanced DBF budget – allowing confident missional planning and deployment
- ii. A significant reduction in the proportion of parish income spent on Parish Share through a restructured DBF budget and sustained increases in parish income
- iii. Significantly enhanced capacity for parishes to invest in local mission and ministry according to their own mission plans and vision as we achieve a virtuous circle of increased giving and diversified income

There are 3 factors within the DBF budget to note at this stage:

- i. There is a significant underlying reduction in Parish Share resulting from 3 key changes:
  - a. The discontinuation of Deanery Mission & Growth Funding
  - b. The application of savings arising from the closure of a lay pension scheme for some St James House staff
  - c. The temporary transfer of the curates' housing budget onto DIP funding
- ii. The budget assumes 100% payment of Deanery Parish Share at this new level – this is vital to long-term sustainability
- iii. The budget assumes above inflation increases in Deanery Parish Share from 2030 as the benefits of growth and income flow through to parish incomes. The increases take place in the context of a determination to maintain Parish Share as a lower proportion of parish income.

A note on Deanery Mission & Growth Funding (DMGF):

- i. Deaneries can still create DMGF by choosing to add to their Deanery Parish Share – but this would need to be a specific deanery decision and would need to be collected after Deanery Parish Share has been paid in full
- ii. The Funding the Future grants within the DIP proposals provide a level of offset to DMGF