

2021 Management Accounts

- 2021 planned budget surplus of £34,000
- 2021 actual management accounts result - £7,000 (£27,000 worse than budget)

Positives +		Negatives -		Net Total
Church Commissioners	1,000,000	Parish Share Shortfall net after PSC	-526,000	
Grants and Donations	175,000	PSC provision for 2022	-765,000	
SJH Savings	281,000	Missional Leadership	-192,000	
Total +ve	1,456,000	Total -ve	-1,483,000	-27,000

2021 Report and Statutory Accounts

A. Operating Loss

1. 2021 management accounts result of + £7,000
2. Housing Investment - £106,000
3. Adjusted Operating Loss = - £99,000

B. Non-operating costs & adjustments:

1. Investment and property gains + £567,000
2. Past service pension scheme actuarial adjustments +£389,000
3. Designated Fund movements (inc Parish Share Credit) -£580,000
4. Restricted Fund Movements (SDF drawdown, S554 funds) +£782,000

Hence:

C. Net 2021 Surplus - £1,059,000 (as per Statement of Financial Activities)

- Now to him who is able to do immeasurably more than we ask or imagine, according to his power that is at work within us, to him be the glory in the church and in Christ Jesus throughout all generations, for ever and ever! Amen.

Eph 3: 20 - 21

2022 Position

- Original 2022 Budget – deficit of £32,000
- Parish income still under substantial pressure due to COVID-19
 - Payment rates remain substantially lower than pre-pandemic
- Parish Share payment still supported through 2021 PSC (underlying cash payment rate of 81%)
- Substantial pressure on housing expenditure
 - Additional allocation being played in
- No significant recovery in Parish Share payment rates
- Overall negative variance from budget -£424,350 (end August)
- Forecast deficit for 2022 -£514,000

2023 Context / Issues

- Major uncertainties surrounding economic outlook continue
- Continuing pressure on parish finances and reduced reserves
 - Some national church support for fuel costs – c. 15%??
- High inflation – pressures on living standards and DBF costs
 - Clergy Stipend increase nationally likely to be 5%
- Significant challenge to the sustainability of our financial assumptions
- Unwinding of Parish Share Credit and Parish Share Rebate
- Clergy Pension Scheme deficit now cleared
 - Contribution rate down from 39.9% to 28%

2023 Budget

A. 2023 budget – Surplus of £11,000

B. Underpinning assumptions:

1. 5% increase in Clergy Stipends
2. Parish Share rebate consolidated into headline Deanery Parish Share request
3. 1% increase in Deanery Parish Share
4. £250k annual increase in Clergy Housing expenditure

C. No further Parish Share Credit

- Total Parish Share increase of 1% over 3 years 2021 – 2023

2023 and beyond

- Forecast for 2022 and 2023 indicate serious deficit levels if Parish Share payment rates remain significantly lower than budgeted.
 - Total deficit of c. £1.5 million is Parish Share payments continue at current rate
- On this basis, something fundamental has to change from 2024 at the latest
 - Plan A – increase income
 - Plan B – reduce costs
- Absolute priority for plan A
 - Started conversations with national church

In summary

- Asking Synod to note the current position and endorse the 2023 budget
- Asking Synod to note that work has started to change our income profile
- Asking parishes to continue to keep Parish Share payment as priority
 - We will always pass on in full any support we receive from the national church
- Will continue to keep Finance Committee fully informed of developments
 - And update future Synods
- Asking everyone to pray earnestly to the God who is able to do immeasurably more than we ask or imagine