



The Diocesan Budget Explained **2020**

Supporting the mission and ministry
of the Diocese of Norwich

From the Chairman of Norwich Diocesan Board of Finance Ltd

Dear Friends,

As in previous years this 2020 budget has been prepared on needs (not wants) from a zero base to ensure our financial resources are focused on activities that generate the most benefit and are aligned to our organisational and committed to growth objectives.

This is better understood when we consider that 80% of our Diocesan budget relates to Clergy Stipends, Pensions, Council Tax, Water rates, Clergy Training and legal obligations such as the DAC function and Diocesan Registrar and Chancellor. These areas of our expenditure are strongly influenced by factors beyond the direct control of the Diocese such as:

- The effect inflation has on the value of stipends, pensions and the costs of goods and services the Diocese requires in order to provide support for mission and ministry
- Training for ministry contributions to the Archbishops Council which are set by General Synod
- Council Tax rates which are set by the County Council
- Water rates which are set by our local water providers
- The Diocesan Registrar and Chancellors fees which are set by General Synod based on recommendations from the Fees Advisory Commission

The remaining 20% of our budget which does allow for greater influence is subject to extremely tight control under our “zero

based” approach to budget preparation. I can therefore be confident that the financial resources as summarised in this 2020 budget leaflet have been aligned with the Dioceses’ organisational and Committed to Growth objectives and that any obsolete or duplicate activities have been identified and eliminated.

The key points of interest from the resulting 2020 budgeted income are:

- The budget for Parish Share has increased by £118k to £8,032k, an increase of 1.5% for 2020 on 2019. It is vital that the Diocese achieves this increase particularly now we have fewer vacant clergy posts.
- We know from national statistics that the number of C of E funerals has fallen, and this is reflected in our budgeted Fee income with a decrease of £9.5k on the 2019 budget
- Our “Total Return” investment policy allows us to use investment returns, regardless of whether these come from dividends, interest or capital gain. Clearly given the current political climate where our investment advisors suggest that the market will continue to be uncertain, this policy helps us to maintain investment income similar to that achieved in 2018
- The Renewal and Reform method of allocating grants to Dioceses by the Church Commissioners has resulted in a further grant reduction to us – this will decrease to £1.2m in total over a 10-year period
- Ordinands training was devolved to the Dioceses from September 2017, this has

resulted in extra income (block grant) – which is offset by extra costs. 2019 has two cohorts, 2020 will have the full income and costs for 3 cohorts

- The AllChurches Trust has reduced our grant from £178k to £120k per annum
- Other income includes additional budgeted increases for trading subsidiary profits and a grant towards Historic Buildings Officer

The key points of interest from the resulting 2020 budgeted expenditure are:

- Stipends are based on 184 full time established stipended posts (same as 2019) of which 175 are provided for in the budget which accounts for expected temporary periods of vacancy as clergy join and leave the Diocese throughout the year. The Diocesan Stipend has been increased by 2% in accordance with the Archbishops Councils National Stipends Benchmark
- The pensions budget continues to be based on a contribution rate of 39.9% of NMS which the Clergy Pension Board have applied due to the Clergy Pension Scheme Fund needing to address its actuarial valuation deficit.
- Housing budget was increased by £97.7k in 2019, £70k of this was increase in interim repairs and this increase has been maintained in 2020 budget so that essential repairs can be undertaken to our clergy housing stock
- The DAC budget has increased to include a Historic Buildings Officer which is partially

offset by grant income received from Historic England

- Legal statutory fees have increased due to a national review of Registrars and Chancellors fees
- Glebe Expenses are now not netted off income and our investment managers hold a bigger portfolio resulting in a £13k increased budget on 2019

As some of our core funding from Archbishop's Council and the AllChurches Trust has reduced, we are hopeful that our trading subsidiaries will produce greater income to be gift aid back to the Diocese. We are still however, very reliant on the requested parish share being paid in order to pay our core clergy costs.

I hope that you will find this budget leaflet informative and helpful in explaining now carefully the resources you have entrusted upon us are spent to deliver the mission and ministry needs in our Diocese.

As always, my thanks go to all our PCC's and their Clergy, Churchwardens, Treasurers and Diocesan staff for the tremendous efforts made by all to meet our responsibility for financing our Diocese.

Yours,



Bill Husselby
Chairman,
Norwich Diocesan Board of Finance

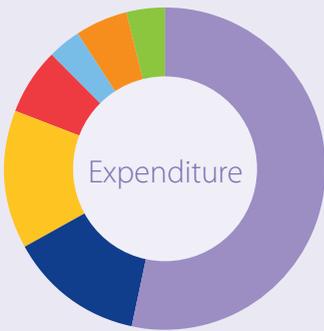
How the budget was constructed and calculated

Nov 2018	Nominated Diocesan Officers (Budget Holders) responsible for budget setting and monitoring are issued with budget submission documents
	
Nov/Dec 2018	Budget holders discuss and agree with their relevant departments and committees their needs, prepared from a zero base, and aligned with Diocesan and Committed to Growth objectives
	
Feb 2019	First draft budget reviewed by the Chief Executive, Director of Finance and Management Accountant who consider and agree overall strategic priorities of budgets submitted by the budget holders
	
Mar/Apr 2019	Individual meetings with budget holders to review the financial resources allocated to activities whilst ensuring they are in line with the Diocese's organisational and Committed to Growth objectives. Activities are then put in priority order to ensure only the most beneficial are taken forward to the 2020 budget
	
May 2019	The joint DBF Executive Committee and Bishop's Council review the second draft budget and, if acceptable, agree that budgets can be submitted to Diocesan Synod
	
June 2019	Diocesan Synod receives a presentation before being asked to formally approve the budget

Diocese of Norwich – Budget 2020



Income	£'000
● Parish Share	8,032.0
● Church Commissioners	1,402.5
● Income from Assets	1,788.0
● Parochial Fees	723.5
● Donations/Grants/ Service Charges	863.1
Total Income	12,809.1



Expenditure	£'000
● Clergy Stipends/ Pensions/Training	6,972.7
● Clergy Housing	1,742.6
● Mission & Ministry Support	1,828.5
● Responsibilities to National Church	845.8
● Parish Support	447.7
● Legal, Professional and Governance	670.7
● Education, Children Youth & Families	500.7
Total Expenditure	13,008.7

Net Deficit **199.6**

An explanation of budgeted expenditure in 2020

£6,972,700

funds Clergy Stipends / Pensions / Training

This budget provides for 175 full time stipends including national insurance and pension contributions to cover 184 established posts. The difference represents the average vacancies during the year.

The direct cost to the Diocese of selecting and training candidates for ordination and the continuing ministerial development of our clergy is also included as this is essential in equipping our clergy to exercise their ministry.

£1,742,600

funds Clergy Housing

For our clergy to be effective it is essential that they are resident within the communities that they serve. The Diocese currently has 247 houses mostly occupied by both stipended and non stipended clergy. It is the responsibility of the Diocese to maintain these properties as well as pay the council tax and water rates on behalf of the resident incumbent.

£1,828,500

funds Mission & Ministry Support

The cost of support for clergy in their Mission and Ministry including:

- **Interregnum Expenses** to ensure continuity of service in our churches where a clergy vacancy exists
- **Chaplaincy** at the UEA providing spiritual, religious and pastoral care to students
- **Removal and resettlement** costs incurred when clergy move into the Diocese to take up their post
- **Counsellor & Safeguarding Officers** providing support and advice directly to clergy to encourage good practice in all areas of the Diocese safeguarding and child protection processes
- **Core Services** such as finance, IT, communications and events which are essential in order for our support services to function
- **Archdeacons** who assist the Bishop with the pastoral care of clergy as well as legal or practical matters
- **Parish Funding Support** providing support and advice directly to parish members on all funding issues such as grant funding, together with advice and support for stewardship and legacy campaigns.
- **Church Army Officers** to establish centres of mission to advocate, resource and build confidence in sharing faith and discipling new Christians.

£845,800

funds Responsibilities to National Church

This covers the work of the Archbishops' Council which is considered most effectively and efficiently carried out at national level to support the Church's mission such as:

- **Training for Ministry** – An average of 580 men and women are ordained as curates each year. Our contribution helps cover the tuition costs, university fees and grants for these sponsored ordinands.
- **The Central Secretariat** – supports the work of General Synod (the Church's Parliament), the Archbishops' Council, the House of Bishops and other central commissions, committees and permanent bodies
- **The Ministry Division** – plays a vital role in the training and continuing ministerial education (CME) of Clergy and Readers; providing officer support for college and course inspections and runs 48 selection conferences a year for those considering ordination
- **Education** – negotiating with the government over the implications of the Academies programme for church schools
- **Cathedral & Church Buildings** – encourages churches to remain open in every possible way, often for community use, encouraging the care, use and development of cathedral and church buildings for worship, mission and service in the community by coordinating national church policy
- **Mission and Public Affairs** – leads the Church's response to the growing secularism of public life and brings Christian ethics to bear on issues in society
- **The Shared Services Departments** – provides the Archbishops' Council with Communication, Legal, Finance & Resources, Human Resources, IT & Office Services, Records and Internal Audit services
- **The Grants budget** – provides contributions to the Anglican Communion and ecumenical activities through grants to various bodies as well as contributes towards the ecclesiastical legal costs fund for clergy
- **The Church's Housing Assistance for the Retired Ministry (CHARM)** – scheme helps retiring clergy with housing where needed. The majority of costs are for running the scheme, and for funding grants that enable clergy contributions to housing costs to be capped.

An explanation of budgeted expenditure in 2020 continued...

£447,700

funds Parish Support

This covers the cost of services and grants that are provided directly to our parishes e.g. :

- **The Parish Finance and Resources Service** – provides information and support to parishes with preparing annual parish accounts, investments, church insurances, savings on utility bills, collection and payment of Parochial Fees, trusts, legacy campaigns, stewardship and tax efficient giving
- **Sharing Good News Grants** – are maximum grants of £600 per parish per annum (limited to 75% of the cost for a project) to encourage mission in local communities and put into action a parish Growth Plan as part of the Committed to Growth process.

£670,700

funds Legal, Professional and Governance

- **The Diocesan Advisory Committee (DAC)** – fulfils the Diocese's statutory obligations laid down in the Care of Churches and Ecclesiastical Jurisdiction Measure 2018 and The Faculty Jurisdiction (amendment) Rules 2019. The DAC works with parishes to help enable them to maintain, grow and adapt their church buildings. The DAC coordinates quinquennial inspections of churches and administers the first stage of the faculty procedure in order to gain permission to carry out building work on their churches
- **Synod** – This is primarily travel costs incurred by those people of the Diocese who offer their valuable time and skills to serve on Boards and Committees in order to improve the quality of strategic decision and policy making
- **The Diocesan Registrar** – provides legal advice and support to the Diocese of Norwich and deals with the second stage of the faculty process. The Registrar is also the Legal Secretary to the Bishop of Norwich, and in this capacity provides advice to the Bishop on legal matters

£500,700

funds Education, Children, Youth & Families

- **The Diocesan Chancellor** – makes decisions on faculty petitions and other faculty proceedings under the Care of Churches and Ecclesiastical Jurisdiction Measure 2018
- **Audit Expenses** – The annual audit is a statutory obligation, in order to remain registered as a charity, as required by the Charity Commission. The audit provides assurance that the Diocesan accounts represent a true and fair view of its financial activities
- **Contingency** – of £120,000 which represents under 1% of the total expenditure budget allows for a very small degree of prudence by providing for unforeseen and unavoidable expenditure in accordance with recommended good practice for budget preparation.
- **The Board of Education (DBE)** – The Diocese has 30 Voluntary Aided schools, 40 Voluntary Controlled schools, 1 Foundation school, 1 Academy and 33 DNEAT (Diocese of Norwich Education & Academies Trust) and 5 St Benet's Academies. These 110 schools represent more than half of Norfolk's small schools and serve a quarter of the young people in the Diocese. The DBE provides professional advice on inspection, school improvement, employment and accommodation and sets up training for clergy, parishes, teachers and governors
- **Children, Youth & Families (CYF)** – supports parishes in their mission and ministry to children, young people & families by providing a programme of training and support. Promoting good practice such as Godly Play, Prayer Spaces, Open the Book & Messy Church alongside more traditional and sacramental worship. The CYF team provide professional support to parish volunteers, clergy and lay workers, and those employed by parishes. They also operate two Diocesan Resource Centres at Diocesan House, Easton and St Johns Chapel, Loddon where over 2,500 items are available.

The Children, Youth and Families team work with the Youth & Children's Task Forces; operate a small grant scheme and run Diocesan-wide events that attract hundreds of participants. Many of these

events take place at the Horstead Centre, the Diocesan activity centre, which is run as an independent Charity. CYF also supports the Cormorants Sailing Holiday and Diocese PlayVan.

Map of the deaneries in the Diocese



Statistical profile of the Diocese

NATIONAL FIGURES

From *Statistics for Mission 2018*

Population _____ 917,000

Area _____ 1,800 sq miles

Archdeacons _____ 3

Deaneries _____ 20

Benefices _____ 164

Parishes _____ 553

Churches _____ 640

Electoral Roll _____ 17,700

Bishops _____ 3 (1 Diocesan, 2 Suffragan)

Archdeacons _____ 3

DIOCESAN FIGURES

December 2019

Stipended Clergy Posts _____ 205

Non Stipended Clergy _____ 78

Clergy with Permission to Officiate _____ 322

Licensed Readers _____ 96

Chaplains _____ 51

Church Schools & Academies _____ 110

Full Time Support Staff _____ 37

Part Time Support Staff _____ 14

Houses _____ 247

Glebe Land _____ 5,813 acres

The average direct cost per incumbent in the Diocese of Norwich in 2020 is:

Stipend _____ £27,000

National Insurance _____ £2,535

Pension _____ £10,037

Housing (including removal and resettlement costs) _____ £11,031

Training _____ £5,471

Total: £56,074

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