

Budget Proposal 2024

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Portsmouth Diocesan Board of Finance

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'Three keeps' from +Jonathan, Bishop of Portsmouth

My dear brothers and sisters in Christ, may the grace and peace of Jesus Christ be with you.

While we consider a challenging budget, a storm rages in God's world.

Ukraine bleeds; violence begets an ever deepening spiral of violence in Israel-Palestine. Millions – men and women, the elderly, and children – find themselves so unsafe in their own homes and communities that the way of the refugee seems their only viable option. We are sorely tempted to turn away, to avert our eyes.

Across the UK, our society and diocesan community, the cost of living crisis raises a stark question (perhaps especially for those on fixed incomes or pensions): 'will we heat or eat?'. We can feel hopeless and overwhelmed.

How, then, shall we live? As the storms rage and hope is under threat? And, how, in the midst of all the challenges we face, might we approach this difficult budget?

I want to suggest three 'keeps' are necessary.

First, we need to keep our nerve. I recall Jesus and disciples on the Lake:

"When the disciples saw him walking on the lake, they were terrified, saying, 'It is a ghost!'. And they cried out in fear. But immediately Jesus spoke to them and said, 'Take heart, it is I; do not be afraid.' (Matthew 14: 26-27)

I notice that St Matthew is honest about the fear and anxiety of the first disciples. With a heart like mine I find this such a comfort! To the first disciples, and to us today, Jesus comes to us in our fears and says, 'Take heart, it is I; do not be afraid.' So with eyes wide open to the world, and without denying or diminishing the truth of our situation or the complexity and scale of the challenges we face, *we receive each day Christ's word of grace and his pledge of presence*. For Christ – the Crucified and Risen One – is guiding us. We will keep our nerve.

Second, we need to keep our focus.

It is Peter who blurts out:

'Lord, if it is you, command me to come to you on the water.' Jesus said, 'Come'. So Peter got out of the boat, started walking on the water and came towards Jesus. But when he noticed the strong wind, he became frightened and beginning to sink, he cried out, 'Lord, save me!' Jesus immediately reached out his hand and caught him, saying to him, 'You of little faith, why did you doubt?'

It's possible to miss the real wonder or miracle in this story. For, how many of us would, like Peter, step out of the boat? 'If it is you'. Four little words, 'If it is you'. For Peter, everything turns – the promise of life, the future and everything that matters most - on the person, word and sheer trustworthiness of Jesus. 'If it is you': looking to Jesus, Peter finds courage to step out of the boat. It is by looking to Jesus (rather than at the wind or waves) that we too will find the courage and confidence to move forward together. We will keep our focus on Jesus; we will look to Him.

Third, we need to keep on doing the work of the Kingdom.

When all seems difficult and possibly even too much to bear, it is my prayer that we will be found keeping our collective nerve, looking to Jesus and, in his company, serving God's Kingdom. As a diocese so much that is

lively, vibrant and filled with the life of Jesus is happening day by day and week by week: our communities worship the good Lord in season and out of season; we build community in a fractured world and share the story of Jesus, Mary's Son, crucified and risen. In a myriad of expressions our communities are witnessing to the love of God in Christ through loving service, faithful proclamation, by accompanying those in difficulty and in handing on the faith. As a Diocese we have faced, and are facing, a number of the challenges in our shared life – building organisational effectiveness, filling vacancies and establishing the foundations for a financially and spiritually sustainable life together before God. So let's keep on doing the work of the Kingdom.

Introduction from the Interim Diocesan Secretary

A great deal of progress has been made since Bishop Jonathan took on the leadership of our Diocese in early 2022, with the Deanery plans published in November 2022 leading the thought processes of what is required to reset the direction of travel in the Diocese.

The Deanery plans have been updated by the Deaneries during 2023 and presentations have been made to the Bishops Staff Team to ensure a thorough understanding of the direction of travel desired by the Deaneries. On that basis plans have been made for 2024 and a draft budget has been produced for Consultation.

Key elements are the desire for more Clergy in the Parishes, reflected both in the continued planned increase of Stipendiary Clergy and the investment in training both new clergy (such as the Michaelmas cohort) and continued development and support of existing clergy. A renewed focus on Parish support is also reflected in this draft budget, as are the plans for further bids for financial support from the Central Church.

To achieve all that is planned, support is needed from the Parishes and investment from our Diocese, these elements are reflected in the overall Parish Share Ask and the considerable deficit to be funded from Diocesan reserves. If we are to move forward we will all need to have the courage to invest in our future and although that will be costly initially, the results for our Parishes and Diocese, with more clergy and more all-round support, will enable us to successfully continue on our path forwards.

National Picture

The budget is being presented at a time of significant financial challenge due to the current economic climate as well as challenges specifically impacting the Church of England. At the Inter Diocesan Finance Forum held on 12th October (attended by the Interim Diocesan Secretary and Financial Controller), we were presented with forecasts for 2023 and budget projections for 2024 from all dioceses. These reflected that for the majority of the 42 dioceses across the country, the 2023 outturn will produce a deficit, and that the expectation for the majority is a larger deficit in 2024 with many now experiencing structural deficits. The position for Portsmouth as presented below is therefore consistent with the majority of other dioceses, albeit to date we have not seen the level of deficits that others have already experienced.

Archbishops Council have instructed financial services firm BDO to undertake a project that will take a detailed look at the finances of each diocese with a view to informing the triennium funding for 2026-28, acknowledging that there are many financial challenges being faced, and that a review of central funding is required to ensure that dioceses are adequately supported.

This review commences in October 2023 with 6 pilot dioceses, of which Portsmouth is one. A detailed review will be completed of the income and expenditure for all dioceses, the balance sheet position including assets and any valuation policies in relation to these, and any operational KPIs used. As part of the pilot, we will help build the data collection template and provide input around specific challenges we face, and where accounting

policies may vary between dioceses, altering the financial performance reported. Once all dioceses have been consulted, the data will then be collated and reported to Archbishops Council to enable a review of how funds are managed.

General Fund Budget for 2024

The budget presented for consultation reflects the income and expenditure expected through the unrestricted funds of Portsmouth Diocesan Board of Finance (PDBF). Where additional funding is received which is held in an alternative restricted fund, this has been noted.

The budget included in this report reflects the discussions with Bishop Jonathan, Philip Poulter, as Interim Diocesan Secretary, and the budget holders employed by PDBF, to build a proposal which supports the current Deanery plans for mission, ministry and finance. Comment and feedback has been invited from deanery finance chairs, members of Bishops Council and Bishops Staff Team and Audit Committee and incorporated into this document.

The Diocesan Deanery Finance Committee discussed and recommended the principle behind the parish share increase (as proposed by the Parish Share Review Group), on 26th September. The Audit Committee discussed and recommended approval of this budget on 5th October.

The proposed budget expects a significant deficit to be made in 2024 against the general fund. When the diocesan plan was published in late 2022, the roadmap expected an eradication of the operational deficit over a period of 3 years to the end of 2025. Due to the need to invest to move the diocese forward, and the impact that the ongoing inflationary levels and current cost of living crisis is having on costs for the diocese and parish finances, it is now expected that this will take longer to recover. Whilst appointments have been made during 2023, and the Michaelmas Cohort and Anna Chaplaincy scheme have represented significant investment in non-stipendiary ministry, progress has been impeded by the level of parish share collected which is crucial to underpinning the work of the diocese as it accounts for c70% of our budgeted income. With the ongoing presence of good stewardship and making events like generosity week an annual feature within all parishes, we expect to see 2025 as a year of moving towards the eradication of the deficit longer term.

This level of deficit can be endured during 2024 due to the substantial level of reserves the PDBF holds, however this would not be sustainable longer term and so 2024 must represent a period of investment with the benefits of this being seen later in 2024 and onwards into 2025-26. Any long term reliance on reserves has the ability to severely impact on income as we rely significantly on income from interest and investments to underpin the operations of the diocese, which would be eroded by persistent use of reserves.

The parish share review is commencing as the budget process moves forward and we expect this to be completed during 2024 to guide the allocation of parish share from 2025 and beyond.

The budget proposals are included in Appendix 1. Details of each income and cost line and the assumptions made are documented below. Three scenarios were presented Audit Committee. They have recommended that a 5% increase to parish share, and a 5% increase to stipends and lay salaries be approved with other ongoing costs being subject to 5-6% inflationary increases.

A note of some of the reserves available to support the budgeted deficit are included on pages 18-23, and where additional funding may be received against certain costs this is also noted in the relevant section.

In recent years there has been a preference to produce a one year budget only due to the level of flux in the economic environment and no data to reflect a new 'normal' post COVID. We are now in a position where it is

essential that we can plan beyond 12 months as we look to build on the diocesan strategy and move forward with significant budget applications such as those to the Strategic Mission and Ministry Investment Board (SMMI). The initial outline expectation for 2025 and 2026 is therefore also included at Appendix 1 and the assumptions made in preparing this outline to explain how we move forward from the position in 2024 to the outlines for 2025 and 2026.

INCOME

1. Parish Share

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
5,223	5,122	4,346	4,414	20%

The landscape around parish share collection remains challenging acknowledging the difficulties PCCs are facing with managing finances locally. In light of the current inflationary pressures, it is nevertheless seen as critical that we increase the parish share ask for 2024. We increased stipends by 6% in April 2023 to ensure that clergy felt supported in the current economic climate and stipends remain comparable to other dioceses. There was no corresponding increase to the parish share ask and so the additional costs have been met in other ways by the diocese. We expect to award a stipend increase of 5% from April 2024 in order to ensure that we keep pace with the changes in the national minimum and national benchmark stipends, and that clergy continue to feel valued and supported by Portsmouth DBF.

In light of the above and other inflationary pressures on costs, the only way to ensure that we continue to invest in moving forward as a diocese is to look at ways to increase our income, of which parish share is the major part. If this is not addressed now, the gap between income and expenses will widen and significant increases may be required in the coming years. It is crucial that we see a response from parishes to recognise the additional investment in ministry represented in this budget and open communication regarding any challenges around meeting the levels of parish share requested.

The parish share review group recently met to discuss the approach to take for 2024 and it was suggested that a 5% increase to parish share be applied, however taking into account any existing payment arrangements that are in place with some parishes. Any allocations in the current budget that aren't recoverable which account for around 3% of our total ask for 2023, will not be included in the 2024 proposal (e.g. an amount for a closed church, and the ask from the Cathedral which will now be replaced by a Memorandum of Understanding reflecting a recharge of costs incurred by the diocese on the Cathedral's behalf and vice versa). This would suggest that an ask in the region of £5.2m is required by applying the 5% uplift to the adjusted 2023 figure. Assuming that the same parishes that currently meet the ask in full continue to meet the ask in full and other parishes can maintain their existing giving rates as a minimum, we would expect the collection rate to increase by a minimum of 3%.

Given the current collection rates this may seem a challenging ask however this is underpinned by:

- The roll out of the contactless devices has already generated income in parishes that contributes to around one third of the total cost of investment, and this is just in a period of around 6 weeks. We would expect to see an increase in income to the relevant parishes and therefore greater ability to contribute to their missional work and parish share as a result.

- Annual increases for many payees through the parish giving scheme are linked to inflation therefore parishes using this scheme should be receiving increased income in similar proportions from this source.
- The National Generosity week will be embedded in our Diocese as an annual event. This is due to take place in late September/early October 2023 for the first time and we may therefore see limited impact for the current year, but the expectation is that there will be greater engagement moving forward to encourage greater giving into parishes and a greater understanding of how this is used to support the whole diocese.
- Greater stability of parish outgoings moving forward as we see continued decline in inflation (although still challenging currently), and a reduction in the energy price cap.
- We have cautiously forecast the end of year position for 2023 on the assumption that parishes continue to pay at the level they do currently. Based on this prudent assessment, the parishes expecting to contribute in full contribute c66% of the total parish share ask. An estimate of the increase of 5% on the ask for just these parishes would be £161k. We would anticipate that due to current year affordability of the ask, the uplift would also be affordable based on the points raised above.
- Greater clergy recruitment especially in crucial areas such as the Isle of Wight. We are aware that particularly on the Isle of Wight, the issue has been raised on numerous occasions as to why parish share is requested in full during periods of interregnum; we trust that as the recruitment of clergy started in 2023 continues into 2024 these objections will diminish and parish share contributions increase
- The parish share review commencing in 2023 with a view to completing an extensive consultation and producing a revised allocation method to be introduced in early 2025, encompassing feedback and input from parishes. Although this piece of work will not be completed for 2024, the engagement with parishes is hoped to encourage a greater understanding of the need to support the diocese as a whole. In particular a piece will be shared to support the theology behind giving and parish share, and detailed information about what parish share pays for and what it costs to run various aspects of the diocese which all underpin why the level of overall Parish Share ask is set as it is. With increased transparency there will be more confidence within the parishes that the parish share payments go towards supporting their needs and those of the clergy.
- Diocesan Investment in a three-year contract with Grantfinder which will support parishes with seeking funds for projects they wish to do locally rather than placing so much reliance on local resources. This could help to free up parish income to support payment of parish share.

The parish share review group have suggested that no particular amendment is made to the allocation for 2024 given that we have no particular insight on which to base this at the moment, and there is a reluctance to change to anything that in no way represents the allocation that may be in place at the conclusion of this process. We would encourage all PCCs to engage with the diocese to discuss any concerns they may have with regards meeting the parish share ask in the meantime.

There is also a national parish share review underway and we expect to receive reports from the team leading this in the near future which will assist with understanding what other dioceses are experiencing and how they allocate their parish share.

Although the Bishops Challenge has been met in some areas during 2023, this has not been widely taken up (although we may see greater take up in the final months of 2023 as parishes have greater clarity of what funds they have available). The same ask will be repeated in 2024 with a focus on regular communication of this ask.

Details of historic parish share collection rates are included in appendix 2 whilst the 2023 forecast is noted above. This remains cautious as we seek to confirm any additional payments that can be expected towards

the end of the year. In September and early October we have seen lump sum payments of £85k where parishes have identified that they have funds available. Payments such as these have not been factored into the forecasts. We have recently had confirmation of one additional parish taking up the Bishops Challenge and two parishes have made their first parish share payments in September relating to the 2023 ask. The 'optimistic' budget proposal reflects the possible parish share income if this was increased by 6% whilst the pessimistic shows the impact of an increase at 4%.

2. Fees

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
230	237	218	266	5%

Fee income has been budgeted at a similar level to previous years and the current forecast. A review of parochial fees and the use of occasional offices is due to be carried out in the coming months. The budget reflects that a small increase is expected to the charges in line with inflation.

3. Rental Income

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
524	476	655	670	-20%

The budget for rental income reflects that further clergy appointments are planned for 2024. The loss of rental income resulting from an appointment is c£1k-£1.2k per month and the reduction against forecast therefore reflects the properties required to house the planned appointments. We would anticipate an increase in rental charges for any ongoing rental agreements when they become due for review.

4. Grants

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
762	767	769	705	-1%

The grant budget consists of the following:

- LINC - £597,563 – paid by Archbishops Council. The figures have been set to the end of 2025 and the 2024 budget reflects c£18k increase from the 2023 payment.
- Benefact Trust (formerly All Churches Trust) - £84,280. This is a recurring grant reducing each year as part of a phasing out process. The grant for 2023 is £98,000.
- Grant from Portsmouth Diocesan Council for Social Responsibility (PDCSR) - £79,905 – this is to cover the cost of the staff team employed by PDBF that work for PDCSR. This offsets salary costs within the Social Transformation budget line. This is forecast to be £83,703 for 2023.

The Lowest Income Communities (LINC) grant is received by the diocese for the parishes that rate in the highest areas of deprivation. The grant will be used to underpin parish share to cover costs of ministry in these areas. The 2024 grant will also be used to provide some administrative support to parishes (Cosham, Wymering, Paulsgrove), to absorb a necessary increase in the charges for provision of parish websites for those in receipt of the grant, and to support other local costs as the need arises (for example with possible recruitment costs if the parishes cannot afford them locally).

We do also receive grant funding for restricted purposes which is not reflected in this budget. This includes:

- *Strategic development funding – relating to the proportion of the projects being funded by Archbishops Council. For 2024 this will include the ongoing elements of SDF2 (Harbour, St Lukes, St Margarets) and the SDF 3 (Gosport North, Gosport South and Newport). In addition, we anticipate new funding from the Strategic Ministry and Mission Investment Board (SMMI) towards Ryde.*
- *Resourcing Ministerial Education – payment from Archbishops Council towards training fees for Ordinands. This is now being paid directly to the colleges and so we don't expect to receive further grant income during 2024.*
- *Net Carbon Zero funding – this funding is to support working towards net carbon zero targets.*
- *Growing faith funding – received from the Church of England Education towards the growing faith initiative. This will be overseen by the education team.*

5. Fund Transfers

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
178	131	145	137	23%

The fund transfer represents the amount to be charged to the restricted education fund to cover the PDBF share of the education team (which is a joint team with Winchester DBF). The increase is as a result of the education team transferring to the new Charitable Incorporate Organisation (CIO) as a result of government legislation. More details regarding the education team are shown under note 14.

6. Investment Income

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
501	527	513	436	-2%

The budget is split between dividend income (£420k) and interest (£81k). Cash reserves have been drawn down in 2023 to meet the operational deficit and fall in parish share, reducing the balance available to accumulate interest. We also expect a fall in interest rates in 2023 although the timing of this is unknown. Dividend income is expected to remain consistent with current year.

7. Other Income

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
120	121	146	288	-18%

Other income includes the recharge of a share of the registrar's costs, income for advertising space in the diocesan magazine, income from generation of electricity from solar panels on DBF properties and other incidental income items. The current year forecast includes an additional PCR2 payment which wasn't expected and £10k in relation to the Ukrainian resettlement programme. These items are not expected to continue, and the remaining budget is consistent with 2023 income.

We would anticipate generating additional income from the use of Grantfinder which has been purchased recently. As the quantum of such income is unknown at this early stage, this has not been included in the budgeted income above.

EXPENDITURE

8. Clergy remuneration

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
3,640	3,631	3,028	3,203	20%

The minimum stipend and benchmark stipend increases have been set at 5% from April 2024. The new national rates are therefore as follows:

- National minimum: £28,134
- National benchmark: £30,066

The current stipend rate that is being paid to stipendiary clergy for 2023/24 is £29,709 and for curates is £27,049. A 5% increase would lift these to £31,194 (11% above minimum, 3.75% above benchmark) and £28,402 respectively from April 2024. Appendix 2 details current stipends across all dioceses and reflects that only 5 dioceses pay a stipend above that paid by Portsmouth DBF for 2023/24 (this does include both Chichester and Guildford).

The following headcount is budgeted (split as an average across the time periods).

	2024 budget		2023 budget		Forecast position at end of 2023
	Jan-Mar	Apr-Dec	Jan-Mar	Apr-Dec	
Clergy	63.5	68.5	63.5	68.5	61.5
Curates	17	17	17.5	22.5	15.5
Archdeacons	2.5	2.5	2.5	2.5	2.5

The budgeted headcount above reflects what is considered to be a realistic level of recruitment from where we expect to be at the end of 2023 and will also be underpinned by focal ministry clusters where appointments are not all stipendiary. Clergy recruitment has been underway during 2023 however due to some appointments being made from clergy from other parishes within the diocese, and due to clergy retirements alongside natural attrition rates, the overall headcount movement in 2023 is not reflective of the level of investment in appointments. Archdeacons continue to work with deaneries to identify where key appointments are needed.

The budgeted headcount above assumes that the majority of recruitment happens in the first quarter of the year. We could realistically expect this to be slightly more evenly phased throughout the year with a £3.5k reduction in stipendiary costs each month for each post not recruited to (based on one full time equivalent).

Included as part of our commitment to matched funding under the SDF projects are 4 curate posts and 8.5 clergy posts. We will also be committing to 2 clergy and 1 curate for the Ryde bid, with a request to the SMMI board to fund a further clergy post.

NB: the additional cost of one full time appointment costs c£41.5k for the stipend, national insurance and pension contribution. We would then incur a loss of rental income (c£12k) and costs for council tax (c£2.5k-£3k) as well as grants related to removals and appointment, buildings insurance on the property and costs related to maintenance of the property and readying for occupation. An additional 1% parish share at the budgeted level would equate to a further £52k of income.

Curate numbers are expected to be between 12 and 16 during the year. We have received a commitment to funding 70% of an additional post during 2024 whilst the remaining 30% will be funded by the diocese.

The archdeacon headcounts reflect the current filled posts.

In addition to budgeted stipendiary clergy, there has also been investment throughout 2023 and this will continue into 2024 to support other ministry within the diocese. Currently there are 59 Licenced Lay Ministers in the Diocese and 30 Self Supporting Ministers (including House for Duty). Of the Michaelmas cohort being ordained at the end of September (included in the figures above), four will serve on the Isle of Wight which will address some of the current need for ministry.

9. Clergy Support

Includes salaries for headcount of 3.57 FTE.

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
388	403	385	162	1%

This cost category includes the additional support for clergy outside of their direct remuneration, as well as administrative support for the archdeacons and area deans. The movement in the budget compared to 2023 reflects that fees paid for occasional services during sickness/vacancy were previously budgeted here but have now been reclassified to parish support instead (see note 16).

First appointment and resettlement grants, removal costs for clergy and the area dean support are all included in this category.

10. Clergy Housing

Includes salaries for headcount of 2.5 FTE.

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
1,108	794	1,065	961	4%

The budget expects the level of property repairs to be similar to the forecast for 2023 at £600k, however the current year spend is underpinned by a designated fund set up in 2021 when works couldn't be completed due to COVID and difficulty accessing properties and contractors. This is expected to be largely utilised by the end of 2023.

As a result of disruption from COVID, many planned works have had to be deferred and so some repairs have had to be completed on a more reactive basis, increasing the costs. 2023 has seen a catch up of some previously planned works and the same is expected during 2024. It is then expected that the ongoing level of property repairs required will reduce as previous works have been caught up and there is a reduction in the resulting reactive works.

Insurance and council tax represent a large proportion of these costs, and both have been subject to above inflationary increases in recent times and so are expected to increase between 6-10%.

The budget includes an additional staff post at 0.5 FTE to support the diocesan surveyor. It is possible that part of the team costs will be offset by income from the Cathedral as they have asked to be supported by the Diocesan property team with property matters. This would form part of the memorandum of understanding with the cathedral and an amount of £12.3k has been included in other income to reflect this.

11. Safeguarding:

Includes salaries for headcount of 5.8 FTE.

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
363	211	264	292	38%

There has been significant investment in the safeguarding team as a response to the recommendations of both the Independent Inquiry into Child Sexual Abuse in the church of England (IICSA) and the recommendation from the Diocesan Safeguarding Advisory Panel (DSAP) chair that the team were not adequately staffed to fulfil the obligations of the diocese. The expansion of the team ensures that they can support the diocese at a safe level and that they can continue to clear cases resulting from the PCR2 review. During 2023 the safeguarding manager has increased from 4 days to 5 days, one caseworker has increased to 5 days from 3 and an additional full-time caseworker is currently being recruited.

The team continue to receive between 50 and 75 calls a week. Whilst some of these will be queries and will be easily cleared either by members of the team or by signposting to statutory parties where this is more relevant, a large number of contacts continue to relate to new cases, some of which require significant input and resource from the team. The team continues to case hold and manage approximately 80-100 cases. The budgeted headcount level is considered to be the amount required to manage the current case load, training needs and parish support on an ongoing basis.

A further change has been the implementation of legal support at core groups. Legal advice may be required where an allegation has been made against a church officer and so the budget includes an allowance for attendance of the registrar at these meetings, although this is not expected to be necessary at all meetings.

A memorandum of understanding is being drafted between PDBF and the Cathedral to document resources provided by each organisation. This includes the provision of safeguarding support by the team to the Cathedral and therefore it is anticipated that there will be some income from the Cathedral to offset part of these costs. Income of £11.5k has been reflected in other income; this is the minimum recharge expected.

12. Lay and ordained ministry:

Includes salaries for headcount of 7.65 FTE.

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
538	457	459	370	17%

The lay and ordained ministry team support the training and development of lay and clergy including ordinand and reader training, Anna Chaplaincy, Michaelmas Cohort and ongoing support through continuing ministerial education. There is also ongoing support for Lay Ministry training including worship leaders and pastoral assistants. The increase to the budgeted costs for 2024 reflects an investment in the staff team to support with development of discipleship and youth work in parishes. The planned investment is expected to include the following roles however a wider review of how training and support could be offered regionally may result in the budgeted costs being used differently:

- Youth development officer
- Growing faith officer
- IME/pathway coordinator (to follow on from end of arrangement with Cuddesdon)
- Discipleship and parish development officer
- Anna Chaplaincy support

The budget for 2023 included a youth development post which has not yet been recruited into. The 2024 budget reflects this being split into two roles – one to cover younger children and one to cover youth. This increases the role from one post for 5 days a week to two posts for three days a week each. It is assumed that all posts will be in place for the full year unless otherwise noted above.

We are currently seeking grant income to support the youth development and growing faith roles.

The training of ordinands is supported by grant income from Archbishops Council which covers the costs of the Theological Education Institutions (TEI). Historically this has been paid to the diocese to enable the college fees to be paid however moving forward this will be paid directly to the TEI by Archbishops Council. This funding is held within a restricted fund.

The diocese is required to pay maintenance grants to those in full time training. The budget for this for 2024 is £127k.

The agreement with Cuddesdon is due to end in July 2024 and so for part of the year there is a duplication of reader training costs to both Sarum and Cuddesdon which will then be saved moving forward.

Other expenses in this category include contribution to the Bishop’s trip to Taize with young people from the diocese and grants for clergy wishing to take a sabbatical.

The budget assumes that all additional posts are in place from the start of the year. There could be a reduction in the staffing costs depending on the timing of recruitment.

13. Social transformation:

Includes salaries for headcount of 2.1 FTE.

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
107	107	105	136	2%

Included here are the costs for staff members who are employed by PDBF but work for PDCSR. Their costs are recharged and included within grants is income of £80k in relation to this.

There is also a staff post of the Ukrainian resettlement project which has been funded until 31 December 2023 with grants from Citizens UK. Consideration is being given to the future of this role and further funding is being explored to allow for this post moving forward.

There are also expenses included for a variety of advisor posts e.g. environment, racial justice, urban ministry. There are funds available for racial justice and we expect to submit an application which would support the costs of racial justice officer role; the costs are currently included in the budget with no corresponding income.

14. Education:

Includes salaries for headcount of 6.57 FTE.

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
181	182	183	188	-1%

The education team support our Church Schools and the majority of the costs relate to the staff in the team and their expenses incurred in working with the schools. The team work across both Portsmouth and Winchester Dioceses and the costs are shared in proportion to the number of schools in each diocese.

The budget assumes the CIO is in place and that all systems related to the new charity are in operation by the end of the year. The reduction in the budget costs reflects that Portsmouth’s share only of the incidental costs have been included. Historically expenses related to the team have been paid for in full by Portsmouth and then an element recharged to Winchester which would be included as other income.

Portsmouth’s share of the costs will be paid for by the Education fund, a restricted fund held by PDBF. The income from this fund to offset the costs is shown under ‘fund transfers’. This is net of any other income received into PDBF in relation to Education.

The team have also secured funding to support with Growing Faith.

The Board of the CIO will also review the education budget.

The balance on the education restricted fund is c£1.48m and it generates c£70k-£80k of income each year.

15. Communications:

Includes salaries for headcount of 1.6 FTE.

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
110	123	133	82	-17%

Communications costs include the costs of producing the diocesan magazine (@CofEPortsmouth), costs for provision of parish websites, the staff team who provide communications support across the diocese and the equipment and resources they require to do this, and the costs relating to running the diocesan website.

We receive some advertising income from the diocesan magazine however this is not sufficient to cover the full cost of producing the magazine. Bishops Council have previously approved a cost of £5k-£10k to produce the magazine and the 2024 budget remains within these parameters.

The relevant parishes do contribute to the costs of their websites however due to an increase in the cost of supporting these, it is expected that the charge will need to be increased from £175 per parish to £200 per parish. For those in receipt of LINC funding, we would hope to be able to fund this fee on their behalf.

The fall in budgeted cost for 2024 compared to 2023 is due to a one-off project totalling £30k which will improve the technical infrastructure on which the website is built and is expected to be completed by the end of 2023.

16. Parish support:

Includes salaries for headcount of 3.89 FTE.

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
208	30	41	22	408%

As part of the budgeting process, we have identified costs that have previously been treated as diocesan office costs but reflect roles and costs incurred directly for the support of parishes. We have included these under the parish support heading which reflects why this cost line is budgeted to increase significantly, whilst the diocesan office cost line shows a reduction. The 2023 budget figure includes the cost of the parish giving scheme and diocesan contribution to the contactless device roll out only.

Staff roles included here are the stewardship advisor, the DAC team (Diocesan Advisory Committee for Care of Churches), Synod and Electoral role officer.

This category also includes the costs of fees for vacancies and sickness in relation to occasional offices. Whilst we would expect this to reduce as further clergy recruitment takes place, there is also a need to review the fee structure and how we manage services for occasional offices to ensure we are offering services and supporting communities effectively, which may have an impact on this cost line, but also the associated fee income.

Other expenses within this section include the cost of Grantfinder, the purchase of which has been recently approved to support both the Diocesan team and parishes with identifying grant funding that may be available to them.

Amongst the remaining expenses are costs for the Parish giving scheme which are paid for by the Diocese on behalf of parishes (and not recharged), costs relating to the gift aid claim system and the subscription costs for the Association of Church Accountants and Treasurers, which allows use of their support by all Parish Treasurers.

17. Finance:

Includes salaries for headcount of 3.4 FTE, which reflects our share of those team members employed by the Winchester Diocese

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
223	218	204	273	9%

Finance costs include the salary costs for the finance team, fees for running the Diocesan Payroll and the Audit charges. The budget anticipates that the vacant Finance Manager role is recruited into by the start of 2024.

A small amount of interest on the Coronavirus Business Interruption Loan has been included however the Investment Advisory Group will be reviewing whether this should be fully repaid before the end 2023.

18. Diocesan office:

Includes salaries for headcount of 2.57 FTE.

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
649	760	718	798	-10%

The reduction in this category is largely due to costs that have been transferred to the parish support line (see note 16). There have also been some increases to specific categories within this line. This category encompasses other central support functions and can be further broken down as follows:

Diocesan secretary's team - £176k

- The costs largely relate to the salaries of the diocesan secretary, the executive assistant and their support expenses. There is an allowance for legal fees which includes the quarterly fee for the designated officer. An amount of £12k has also been included to be given as grants at the discretion of the diocesan secretary for example to support visits from Ghana, or local items such as the Havant Passion Play.*

HR - £92k

- This includes the Employee Assistance programme to support staff with any health and wellbeing needs, an allowance for training for lay staff across all departments, HR support from Kane HR (which covers both clergy and lay matters) and internal dedicated staff resource, recruitment fees for advertising of any diocesan roles if required.*

Building services - £152k

- These costs relate to the cost of maintaining Peninsular House including insurance, water rates and council tax, and service charges for the office payable to VIVID. There is also depreciation on the office building which doesn't incur any cash outflow (£37k per year). We do recharge part of the building to CAF/CASS and included in rental income is £78k relating to this. The net cost of the building is therefore budgeted at £54k.*

An amount of £20k has been included in the budget to be transferred to the office repair fund (a designated fund) in case of any works being required to the office that are not covered by the service charge. No transfer has been made for some years and we expect some reconfiguration works to be completed in late 2023 at a cost of £30-£35k which would draw on the existing funds as well as some roof works to Peninsular House for which our share of the costs is anticipated to be in the region of £21k. This transfer would therefore support rebuilding this reserve in anticipation of future works.

Office services - £48k

- Included here are consumables costs in relation to Peninsular House such as printing, postage and stationery, phone systems, office cleaning costs and any equipment rental agreements e.g. photocopiers. There is a recharge to Bishopsgrrove for part of these costs as well as IT costs which totals c£8k and is included within other income. There have been significant increases in equipment lease costs due as part of the original agreements made prior to this year e.g. photocopiers during 2023 and will continue into 2024.*

IT - £181k

- *IT costs are expected to continue at a high level due to ongoing issues relating to the Sharepoint migration which are not likely to be resolved until 2024. This will include costs of decommissioning the old server environment. We would expect to see a reduction in the ongoing IT costs in the second half of 2024 once this work has been completed.*

19. Governance:

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
11	5	8	11	28%

This budget line expenses related to the cost of Bishops Council, Diocesan Synod and General Synod included venue and catering costs, and any expenses claimed by those in attendance. There is also an allowance for the Bishops Staff Team, as the executive for the DBF, for any training and expenses incurred by the team in this capacity.

20. Legal & registrar:

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
116	93	96	81	20%

The charges are as per the legal fee order and outside of our control. A proportion (50%) is reclaimed from Church Commissioners in relation to the Bishop’s share of the liability. There is a slight change in the costs as we previously paid the registrar through payroll with NI costs added on. This is now bill directly from the registrar’s firm and subject to VAT therefore there is an additional cost implication as well as the annual uplift.

In addition, we have previously not been required to pay the Chancellor’s fees as these have been waived. The Chancellor is due to be replaced and the waiving of this fee is not expected to continue therefore budget of £12k has been included in relation to the future expected costs.

21. National Church Votes:

2024 Budget	2023 Budget	2023 Forecast	2022 Actual	% change 2023 forecast to 2024 budget
£'000				
376	373	373	345	1%

These charges are set by Archbishops Council and are outside of our control. There has been a small increase to the charges for 2024 however PDBF share of pooling of ordinand costs has increased slightly which offsets these costs.

Lay staff salaries:

Salary costs are included throughout the categories noted above. Salary figures are subject to a 5% increase to match that applied to stipends. A summary of the expect salary costs is as follows:

	2024 Budget £
Total salaries	1,256,104.68
Total NI	97,117.95
Total pension	194,212.58
	1,547,435.22

It should be noted that there are also staff posts that are funded by existing restricted funds (environmental officer, strategic programme officer and manager, pioneer minister). Their costs do not appear in the figures above.

Other funding commitments for 2024

The SMMI bid due to be submitted for review in October 2023 includes a commitment of £241k from PDBF for capital spend at Ryde. This includes boiler and heating works, replacement of pews with new seating and installation of a café area. This would form part of the matched funding required from restricted and designated funds held by the DBF.

A larger bid is planned for submission in mid-late 2024 and there is expected to be significant commitment to matched funding required as part of this submission.

Other possible sources of funding

Use of designated funds

To support with the unrestricted funds and the financial challenges currently faced by the diocese as we invest in recruitment of clergy and continue to see lower parish share collection rates, it may be necessary to underpin operations further through the designated funds which have been set aside for a specific purpose, but are not restricted and therefore trustees could re-designate the purpose if required.

As we look to submit our upcoming SMMI bid for Ryde and look forward to a future bid, this will be particularly crucial. Historically, in periods of surplus, PDBF was able to set aside amounts each year to support the matched funding for SDF projects. In current periods of ongoing deficits, we are less fortunate and so have to look to our existing funds in order to meet these commitments. Much of this may relate to costs such as stipends which we would ordinarily be investing in and would be supporting with the unrestricted funds, but for some other areas such as church building works that are outside of the usual operations of the diocese, it is likely we will need to look to other funds to support these costs. This would be the case for the Ryde bid which includes a DBF cost of £241k for building works which are likely to be incurred in 2024.

At 31 December 2022, the following designated funds were held, alongside a description of what the funds are held for and how they are currently being utilised. The December 2022 balances have been included as there was a significant decline in investment values last year, therefore a prudent approach is considered to be to review these balances at this time, whilst we await a clearer view of the level of any recovery that may be seen by the end of the year. There was some recovery in the first half of 2023, however investment values fluctuated again over the summer.

Name of Fund	Description of Fund	Balance at 31 December 2022	How the funds are being utilised currently	Possible redesignation	Available to support deficit (if no redesignation)
Brown, Doig, Silver Bequest	To offset DBF office costs	£34,900	The balance has remained unused in recent years. There are plans to complete works to the diocesan office at Peninsular House and so this may be utilised alongside the office repair fund (see below).	N/A - will need to remain available for future office works	
Building Repair Fund	Additional repair work on Diocesan properties	£395,494	<p>This is the fund into which the 2021 underspend on property repairs (resulting from COVID) was placed. The overspend on property repairs against budget will be offset in 2023 therefore we would expect a significant reduction in this balance by 2024. The forecast property repairs spend is £600k against a budget of £347k therefore we anticipate a reduction of £253k. It is anticipated that the property repair bill will remain at a higher level due to increased costs of materials and therefore a reserve may be required to be maintained for the short term at least.</p> <p>It should be noted that this fund does not carry a separate investment balance therefore any expense paid out from here, will be a drawdown of the general fund deposit and investment balances.</p>	N/A - but could be used to support property works during 2024 if required	£142,000
Catherington House Fund	For work of the Diocesan Spirituality Adviser	£618,325	This fund was reduced in 2021 in order to redesignate part of the funds towards repayment of the Coronavirus Business Interruption Loan. The remaining balance has not been used in recent years as the previous spirituality post was made	Possibly expand designation to cover some of the other new posts required for	£14,000

Name of Fund	Description of Fund	Balance at 31 December 2022	How the funds are being utilised currently	Possible redesignation	Available to support deficit (if no redesignation)
			redundant during COVID. The lay and ordained ministry budget includes reinstatement of a small number of hours in relation to this post, and the support training provision of expenses, although it is only expected to use the annual income generated by this fund only (c£20k) and therefore not reduce the overall balance.	investment moving forward, but as a minimum we would expect the spirituality element of the budgeted post and the related expenses to be paid from the income from this fund.	
Circus Charity Fund	For stipends	£2,283	This fund has remained unused for many years and all stipend costs are being charged to the general fund. Given the small balance, it may be appropriate to clear this fund down to offset a small part of the stipend costs.		£2,283
CME Fund	Continuing ministerial education	£144,617	Investment income earned by this fund has historically been transferred to the general fund to offset some of the costs of the lay and ordained ministry team however the capital remains unused. It may be appropriate to consider using a proportion of the capital towards this budget line (which for 2024 is proposed to be £21k). It should be noted that this fund carries only a small investment balance therefore any expense paid out from here, will be likely require a drawdown of the general fund deposit and investment balances.	Could be expanded to include some of the other areas of training being provided to enhance ministry and mission e.g. Anna Chaplaincy and Michaelmas Cohort	£21,000

Name of Fund	Description of Fund	Balance at 31 December 2022	How the funds are being utilised currently	Possible redesignation	Available to support deficit (if no redesignation)
Coronavirus Business Interruption Loan Fund	For repayment of the CBIL loan	£608,044	This fund has been designated to cover the capital repayments of the CBIL loan and will be largely cleared by December 2023 as we continue to make loan repayments, including the further £250k lump sum agreed to the recent Bishops Council meeting.	N/A - covers capital repayments only.	
Diocesan Conference Fund	To offset cost of diocesan Clergy Conference	£56,377	This fund enables a diocesan wide conference to be held periodically and there is a budgeted transfer into the fund each year. The proposed budget for 2024 includes a transfer in of £8k. It is expected that a large conference will take place in 2027 to celebrate the centenary of the diocese with a couple of smaller conferences in the meantime at a cost of c£10k.	N/A - required for future conferences	
Diocesan Loan Fund	Loans to Parishes	£306,595	This fund is allocated for loans to parishes in need of financial support. The loan policy was revised in early 2023 as it was anticipated that loans may be required in the current economic crisis however to date, only one has been paid out and this was expected to be a short term, emergency situation. The balance on this fund was reduced to contribute towards the CBIL loan repayments as it had been underutilised.	N/A - to remain available to support parishes needing loans	
Evangelism Fund	For evangelism within the diocese	£1,495	This fund has remained unused for many years. Given the small balance, it may be appropriate to clear this fund down to offset a small part of the general fund costs.		£1,495

Name of Fund	Description of Fund	Balance at 31 December 2022	How the funds are being utilised currently	Possible redesignation	Available to support deficit (if no redesignation)
Lambeth Conference Fund	To offset the next Lambeth conference costs	£8,715	Like the diocesan conference fund, the Lambeth conference fund is built up each year to cover costs of attendance at the Lambeth conference. The last conference took place in 2022 but no costs were incurred against this fund therefore no budget has been allocated to this in 2024.	N/A - required for future conferences	
Mission Fund	For outward focussed mission activities	£273,168	<p>This is the fund that has been set aside to provide matched funding for the Strategic Development Fund bids where there is a commitment to match fund elements that would perhaps not ordinarily be paid through the general fund. As previously reported to Audit Committee and Bishops Council, it is expected that the amount held in the fund will not be sufficient to meet the matched funding commitment, and also, we may have to meet some additional commitments for any overspend on the SDF funded elements that won't be met by Church Commissioners.</p> <p>We await the outcomes of the requests to reset or extend some of the existing projects to confirm the level of matched funding required; we expect the worst-case scenario to be £206k and Bishops Council have approved a transfer of up to this amount from the sustainability fund to meet this gap.</p>	N/A - expected to be used for current matched funding commitments under SDF	

Name of Fund	Description of Fund	Balance at 31 December 2022	How the funds are being utilised currently	Possible redesignation	Available to support deficit (if no redesignation)
Office Repair Fund	Repair and maintenance of Office Equipment	£114,097	As above, it is expected that this fund will be utilised for some upcoming repairs to the diocesan office, and a balance is held as a contingency for any repairs required under the terms of our lease e.g. to the roof, which is expected to be required in the short term. <i>The expected cost of the planned works is c£53-£56k and the 2024 budget includes a transfer of £20k to replenish this fund for any future works that may be required.</i>	N/A - will need to remain available for future office works	
Parsonages Repairs Fund	Repair and maintenance of parsonages	£348,513	This balance has been used to pay insurance on the parsonages historically, and income from the fund has been transferred to the general fund to offset some repair costs however the capital has not been utilised. It may be necessary to review this in light of ongoing property repair costs.	No need to redesignate but look to use the capital towards some of the property repairs if required	£348,513
Sustainability Fund	To aid transition	£393,725	As noted above, part of this balance is likely to be reallocated to the matched funding for the existing SDF projects.	N/A - to be held for matched funding for SDF and SMMI projects	
Valpy Bequest	For stipends	£32,859	No income or capital has been used from this fund in recent years. It may therefore be appropriate to use this fund to support the stipend costs in 2024.		£32,859

Name of Fund	Description of Fund	Balance at 31 December 2022	How the funds are being utilised currently	Possible redesignation	Available to support deficit (if no redesignation)
Winterbotham Legacy	For DBF's own purposes	£153,103	This appears to have been set up as a contingency fund which could be used to support operations and historically the income from the fund has been transferred to the general fund to offset operational costs.		
Total designated funds		£3,492,309			£562,150

Use of restricted funds

As with the designated funds above, there may be the opportunity to review the restricted funds and the purposes they are held for to ensure that these funds are being utilised where relevant, and of not making an approach to the charity commission as required to change the purpose of the funds if we are able. This will be an area to be reviewed in detail during 2024. Restricted fund balances stood at £5.9m at the end of 2022. Much of the income generated from investments held in these funds is already paid across to the general funds where it relates to activities undertaken. The capital balances could be available to support activities within the budget proposal.

Use of total return accounting for permanent endowments

At the moment, we don't adopt Total Return accounting as a policy for our permanent endowment funds. This would mean that as well as using any income generated on the fund, we would also be able to use some of the capital movement where this has increased since the original endowment was made. The original value of the capital would need to be retained, however. This is an area that can be reviewed in the coming year as this would involve a review of our current investment policy which would require review by the Investment Advisory Group.

Permanent endowments totalled £17.9m at the end of 2022.

Three year budget outline

Appendix 1 details the outline budget for 2025 and 2026 alongside the budget for 2024. As noted on page 4, we expect a review of the funding from Archbishops Council to be in place by 2026 however the outline for 2026 assumes the current level of support continues as a minimum, in the absence of any further information at this time. The forecast presents a significant improvement in the expected deficit over the three years as we see the growth and impact of the investment planned for 2024, however this is highly dependent on the improvement in parish share being realised. The figures also work on the following assumptions:

- Inflation returns to steady state at c2% and the majority of costs are subject to an inflationary increase at this level
- Parish share review is complete and greater awareness and engagement created. The parish share collection rate continues to recover as a result. We would anticipate an above inflationary increase to close the gap created from the lack of increase in 2023.
- Fee income increases due to presence of greater number of clergy and lay ministers able to provide services, and also building on review of engagement with communities to ensure parishes are approached to provide weddings and funerals
- Rental income is expected to remain relatively steady as recruitment stabilises; rental rates will be subject to inflationary increases
- Grant income continues as per current rates with reduction to the Benefact grant and annual increases to the LINC grant
- Interest income is expected to reduce as interest rates stabilise and the deficit budgeted for 2024 reduces available cash balances. The investment market is expected to recover however with increases to returns from dividends
- Other income begins to increase significantly due to additional funding sources generated through Grantfinder. This income remains conservative until further information is known about what may be available to the diocese.

- Clergy recruitment reaches 71 stipendiary posts. This allows for a vacancy level of 5% against the current established post figure of 74.5. This is low compared to historic vacancy levels and therefore provides some flexibility with regards headcount
- Clergy support costs reduce as fewer interview costs, resettlement grants and removal costs will be incurred as the pace of recruitment slows and stabilise
- Clergy housing costs reduce as a large part of the catch up from COVID is complete. There is also possibility of additional funding being available to support with repairs where they relate to Carbon Net Zero projects
- Lay and ordained ministry costs reduce as we move away from payments to Cuddesdon
- Parish support costs reduce as we anticipate a reduction in the cost for the Parish Giving Scheme in light of a current review that is underway. 2024 budget assumes the costs remains as currently; there may be some cost saving in 2024 depending on if and when the change is implemented.
- Finance costs reflect no further CBIL interest is payable (fully repaid by July 2024)
- IT costs reduce as the Sharepoint project will be completed in 2024 and there are no further project related costs. We also see a full year of the cost savings post implementation.

The projections reflect a position close to break even by the end of 2026 on the assumption that the parish share collection rate returns to pre COVID levels. It must be acknowledged that if this is not achieved, significant deficit levels will continue (as presented by the three collection scenarios) and it may be necessary to take more challenging decisions around cost base to ensure that we do not continue to erode reserves in the medium term.

Appendix 1: General Fund three year budget plan

PDBF Budget 2024	Actual	Budget	Forecast	Budget	Budget	Budget
	2022	2023	2023	2024	2025	2026
	£'000	£'000	£'000	£'000	£'000	£'000
INCOMING RESOURCES						
Parish Share	4,414	5,122	4,346	5,223	5,484	5,703
<i>Income at 95% collection</i>				4,962	5,210	5,418
<i>Income at 92% collection</i>				4,805	5,045	5,247
<i>Income at 88% collection</i>				4,596	4,826	5,019
Fees	266	237	218	230	242	260
Rental Income	670	476	655	524	535	546
Grants	705	767	769	762	772	782
Fund transfers	137	131	145	178	182	185
Investment Income	436	527	513	501	471	482
Other income	288	121	146	120	168	236
Total Income	6,917	7,381	6,792	7,538	7,853	8,194
RESOURCES EXPENDED						
Mission						
Clergy Remuneration	3,203	3,631	3,028	3,640	3,882	4,122
Clergy support	162	403	385	388	334	339
Clergy Housing	961	794	1,065	1,108	992	956
	4,326	4,828	4,477	5,136	5,208	5,418
Safeguarding	292	211	264	363	370	378
Lay and Ordained Ministry	370	457	459	538	506	516
Social Transformation	136	107	105	107	110	112
Education	188	182	183	181	185	189
Communication	82	123	133	110	113	115
Parish Support	22	30	41	208	176	180
Mission Total	5,416	5,937	5,662	6,644	6,667	6,906
Mission Support						
Finance	273	218	204	223	223	227
Diocesan Office	798	760	718	649	577	586
Governance	11	5	8	11	11	11
Registrar and Legal	81	93	96	116	118	120
Mission Support Total	1,164	1,076	1,027	998	929	945
National Church Votes 1-5	345	373	373	376	383	391
TOTAL EXPENDITURE	6,924	7,386	7,061	8,018	7,979	8,242
Surplus/(Deficit) before transfers	(7)	(5)	(269)	(480)	(126)	(48)
Net surplus/(deficit) for the year	(7)	(5)	(269)	(480)	(126)	(48)
<i>Sensitivity - adjusted deficit to reflect impact of undercollection of parish share:</i>						
If 95% collection achieved				(741)	(400)	(333)
If 92% collection achieved				(828)	(525)	(504)
If 88% collection achieved				(1,107)	(784)	(732)

Appendix 2: Historic parish share collection rates

2022 - £4,414,295 – 86.2% collection (£5,122,000 budgeted)
2021 - £4,405,115 – 87.5% collection (£5,034,417 budgeted)
2020 - £4,691,178 – 89.9% collection (£5,218,218 budgeted)
2019 - £4,782,580 – 97.1% collection (£4,925,417 budgeted)

Appendix 3: Stipend figures 2023/24

Diocese	Diocesan Basic Stipend (DBS)	Diocesan Basic Stipend (DBS)	Residentiary canon rate (post 2004)
	2023/24	2022/23	2023/24
Bath & Wells	29,152	27,764	31,266
Birmingham	28,544	27,185	30,812
Blackburn	28,140	27,058	29,585
Bristol*	28,718	27,350	31,119
Canterbury	28,917	27,540	32,340
Carlisle	29,440	27,902	30,347
Chelmsford	29,926	28,232	31,400
Chester	28,996	27,355	30,450
Chichester	29,945	28,250	32,354
Coventry	28,917	27,540	30,895
Derby	29,615	28,205	31,257
Durham	29,579	27,515	32,147
Ely	28,634	27,270	30,861
Exeter	28,820	27,445	31,118
Gloucester*	29,676	27,735	32,021
Guildford	30,464	29,013	31,036
Hereford	29,400	28,000	32,405
Leeds	29,333	27,936	30,497
Leicester	29,905	28,481	32,112
Lichfield	28,655	27,290	31,190
Lincoln	29,087	27,702	31,405
Liverpool	28,635	27,270	30,377
London	29,574	28,166	31,757
Manchester	28,342	26,992	29,871
Newcastle	28,890	27,514	31,283
Norwich	28,634	27,270	30,919
Oxford	29,959	28,522	32,062
Peterborough	28,634	27,270	30,913
Portsmouth	29,709	28,027	31,886
Rochester	29,195	27,805	30,920
St Albans	29,680	28,267	31,590
St Edmundsbury & Ipswich	28,206	27,121	30,458
Salisbury	29,215	28,091	30,983
Sheffield	29,056	27,672	31,257
Southwark*	29,285	27,889	31,570
Southwell & Nottingham	28,634	27,518	31,293
Truro*	29,303	27,644	30,799
Winchester	29,598	27,662	32,016
Worcester	29,386	28,256	31,734
York	28,942	27,565	31,187
National Stipend Benchmark (NSB)	28,634	27,270	-