

Paper 2:

Live | Pray | Serve Update

We continue to progress the implementation of our vision to Live|Pray|Serve and to fulfil our purpose to grow in depth, impact and number as well as juggling how we can both financially support our current ministry and the process to bring about transformation. To assist with this, we have continued to meet and have conversations with individuals, deanery synods, and PCCs across the diocese.

Back in March Bishop's Council, voted on two important decisions: the approval of a single parish benefice, team ministry model to be applied contextually across the diocese including approval of the four key elements to achieve this. We also agreed that we wished to apply to the National Church for Transformation Funding. As a consequence of this second decision, the May meeting of Bishop's Council approved the use of £2.264m of reserves as match funding. We recognise that none of these decisions were easy.

We appreciate that the scale and nature of the change that is being recommended is both radical and large, but we also recognise that the size of our current problems and the potential opportunities to grow are equally large. Whilst all change is difficult and unsettling for those involved, we know that many people are finding this particularly hard and are struggling with the process.

We have also received an open letter from 14 people, both clergy and laity, across 10 parishes. Although, this is not a large number of people we are aware that there are others that may share these views but did not feel comfortable adding their names to a public document.

Whilst we have endeavoured to engage and consult with as wide a group of people as possible through this process we accept that there is always more that we could do and further conversations that we could have.

Bishop's Council has considered the position and acknowledge that continuing at our current pace risks damaging the important relational culture of our diocese. Therefore, whilst the decisions made to date have not been rescinded at the meeting on 8th June it was decided that we do want to look at the next steps on the journey ahead and the speed at which we proceed through them. This is important so that concerns are heard, and steps are taken to address some of the points made.

It is therefore proposed in the first instance that we will: -

courageous | collaborative | generous | resourceful | pioneering

Make a clear and open statement in relation to the financial position of the DBF. This will be done at the July Synod along with the presentation of the annual accounts and communicated more widely thereafter.

Look to hold Archdeaconry events in September which will link to budget discussions for 2022 onwards

Alongside this we will continue to have local conversations in which the vision can continue to be explored and plans discussed and developed. This will be coupled with further documentation and communications to support the process.

We will continue to root this process in prayer, both by the senior leadership team and through the diocesan daily prayers. We would also ask that you continue to pray for the senior leadership and the whole diocese as we navigate through this situation. We are also proposing that we will explore further prayer events in deaneries and across the diocese.

Taking the time to increase the depth of conversation and engagement at this stage is important in the light of how people are feeling. In doing so it must be remembered that there are parishes and groups who are looking to proceed more quickly, and it is for this reason that where there is consent, we will continue with the process of change as previously agreed.

As we no longer have a clear narrative for change around our transformation programme the bid for funding will need to wait until later in the year. The Strategic Development Unit are accepting of this and will continue to support us in the process but will do so with the expectation we proceed to make the first stage bid towards the end of the year.

A decision to extend the process in this way will delay implementation which has financial implications for the Diocese. Based on current cashflow projections there is a monthly operating deficit through this year. If parish share follows similar patterns as 2020 then the monthly deficit fluctuates as per the projections below.

PDBF Cash Flow for the year 2021									
	2021								
	April	May	June	July	August	September	October	November	December
Opening Cash Balance									
Cash held at Bank	1,417,359	1,229,835	1,958,618	1,616,229	1,427,962	1,294,598	693,308	643,421	664,107
Unrestricted CCLA Deposits	2,137,501	2,137,501	2,137,501	2,137,501	2,137,501	2,137,501	2,137,501	2,137,501	2,137,501
	3,554,859	3,367,335	4,096,118	3,753,730	3,565,463	3,432,099	2,830,808	2,780,921	2,801,608
Cash Inflows									
Parish Share	357,204	313,067	320,253	388,463	337,476	410,687	562,475	508,745	562,011
Fees	9,955	16,582	9,923	8,959	14,923	8,931	8,063	13,431	8,038
Rental Income	34,834	31,384	37,955	34,834	31,384	37,955	34,834	31,384	37,955
Grants & other income	0	65,540	42,601	34,736	16,385	0	0	0	0
Fund transfers	0	0	26,396	0	0	26,396	0	0	26,396
Investment Income	0	121,727	0	0	121,727	0	0	121,727	0
Other Income	2,163	2,163	2,163	2,163	2,163	2,163	2,163	2,163	2,163
	404,156	550,463	439,292	469,156	524,059	486,132	607,535	677,450	636,563
Cash Outflows									
Budgeted Expenditure	657,422	657,422	657,422	657,422	657,422	657,422	657,422	657,422	657,422
Estimated Savings	(65,742)	(65,742)	(65,742)						
	591,680	591,680	591,680	657,422	657,422	657,422	657,422	657,422	657,422
Net inflows/(outflows) from Operations	(187,524)	(41,217)	(152,389)	(188,267)	(133,364)	(171,291)	(49,887)	20,027	(20,859)
Financing Activities									
Conversion of CCLA Deposits									
Bells Loan Fund/CornerStone			(190,000)			(75,000)			
SDF						(355,000)			
Designated fund transfers	0	0	0	0	0	0		36,000	36,000
Property Sales	0	770,000	0	0	0	0	0	0	390,000
External financing Repayment								(35,341)	(35,341)
	0	770,000	(190,000)	0	0	(430,000)	0	659	390,659
Cash Flow after Financing activity	(187,524)	728,783	(342,389)	(188,267)	(133,364)	(601,291)	(49,887)	20,687	369,800
Closing Cash Balance									
Cash held at Bank	1,229,835	1,958,618	1,616,229	1,427,962	1,294,598	693,308	643,421	664,107	1,033,907
Unrestricted CCLA Deposits	2,137,501	2,137,501	2,137,501	2,137,501	2,137,501	2,137,501	2,137,501	2,137,501	2,137,501
	3,367,335	4,096,118	3,753,730	3,565,463	3,432,099	2,830,808	2,780,921	2,801,608	3,171,407

The longer the process of change is delayed the more significant the financial challenge becomes. While the DBF can sustain a delay of a few months at this stage through the sale of assets, it should be acknowledged that it reduces the DBF's ability to support and fund future mission activity as reserves will be reduced and the parish share ask will need to increase accordingly moving forward.

Bishop's Council accepted the financial implications of extending the process to allow further conversations and consultation at this stage. Synod is invited to note this position taken by Bishop's Council on 8th June. Further details as to how that extended period will be used will be provided to Synod at our July meeting.

Diocese of Portsmouth Senior Leadership Team