

Diocesan Budget 2018

Summary

This paper presents Bishop's Council's proposed budget for 2018 for Synod's approval.

This is the third year of maintaining budget increases within the framework of the CPI increase for the year. Inflation is increasing – the forecast for 2017 is currently 3.0%. However, Bishop's Council are proposing a lower increase of 2.0%.

We are absorbing various above inflation increases – in particular the apprenticeship levy is adding 0.5% to our stipend costs and our contributions to National church are increasing by 4.0%. We are continuing to make our planned investments in:

- Pioneer Ministry, both lay and ordained.
- Our new Church in the centre of Portsmouth appealing particularly to younger people.
- Increasing our number of curates and vocations.
- Continuing the investment in our parsonages.

Our number of clergy vacancies is reducing. However Isle of Wight plans to reduce the number of stipendiary clergy are also progressing and we plan to move to 20 stipendiary posts by 2018. This, together with accepting a tighter budget on clergy stipends, has enabled us to reduce the overall share increase to 2.0%.

Our budget spend is being supported by use of reserves for expenditure on parsonages, mission and additional curates as well as the £929,000 five year grant from Church Commissioners.

Our financial picture is becoming more complex as we seek to increase our investments in mission, use historic funds and new grants whilst balancing our overall finances over the long-term.

We are also presenting indicative figures for 2019 and 2020. However during 2018 we intend to engage in a fuller consultation process over the shaping of the diocesan budget in supporting the Diocesan strategy/plans for the three years 2019 to 2021.

Consultation

The proposal presented to, and supported by, the Bishops Council in July for a 2% increase had been circulated to parishes for their consideration and written responses. 16 responses were received and reviewed by the Finance committee & Bishop's Council. The difficulty of facilitating a significant review during the holiday period was noted as was a suggestion that response should only be invited at deanery level where those involved were likely to be more informed. There were however several very positive endorsements. The issues raised were in the following areas:

- Declining attendance, AWA & Parish Share

A recurring theme was a concern over the delay between falling attendance figures and the AWA whilst it continues to be calculated over a 10 year period. 3 parishes specifically asked that it be calculated over a 5 year period instead of 10 while another felt that the month of October did not provide a fair representation of the year due to local seasonal factors. In the past exceptions have occasionally been allowed for this modified calculation where there has been a specific circumstance, especially when beyond the control of the parish.

Generally however it has been felt that a 10 year average leads to a smoother movement in share requests.

2018 sees the end of the three year transition period for the new affluence bandings for parish share. Various parishes have thus experienced increasing levels of parish share. If they are also maintaining their AWA whilst others are declining, this will also act to increase their share allocation. Whilst there was acknowledgement that this was not directly caused by the overall increase in the budget which was being kept at or below CPI, concern was expressed at the level of share increases being experienced.

Whilst sympathetic, overall it is an outcome of the parish share review conducted three years ago which considered these questions and potential outcomes and consulted on them at the time. Any adjustment has other implications and it was felt that now was not the time to re-open those questions especially as we were now coming out of the transition period.

- **Long-term sustainability**

This does, however, lead on to questions of long-term sustainability. Whilst the ten year averaging does provide some protection to growing parishes, there is an increasing loading on to parishes that maintain substantive attendance numbers and raises questions over how long that can be sustained. At the same time, we know that numbers of clergy nationally will be declining significantly. In the 2018 consultation, it was felt that we should re-consider questions about allocation of clergy; whether we have the right number that we can financially sustain, in the right places with the appropriate support.

For those parishes substantially dipping into their reserves there continues to be concern about the future. 'Viability focus' reviews and subsequent support from the team of diocesan staff has been introduced to assist those parishes most in jeopardy.

- **Other**

Both the accumulation of reserves as a result of underspends, and the expenditure of reserves on a new vicarage and increased M&D budget received critical comment. All feedback is given serious consideration and emphasizes the importance of encouraging a broad and diverse membership of the various boards and committees at all levels so that all viewpoints can contribute to the decision process. Equally the effective communication of the rationale behind decisions made and actions being taken must be continually improved to ensure that no group or individual is left feeling abandoned.

The following repeats the commentary sent out with the parish consultations.

Key Risks

- **National Ordinand and training costs**

If ordinand numbers continue to increase in line with national aspirations, we could be facing increases of around 16% in those costs (c. £250K) in 2019 and onwards. We hope Church Commissioners' funding will be used to mitigate this; however this is not yet in place.

- **Development of education team external income and multi-academy trusts.**

We are in the process of developing our education team and multi-academy trusts to respond to the rapid pace of change in education. We are planning that this will be met by increased service income and historic education funds and will not impact on parish share.

- **Economic uncertainty**

We have more economic uncertainty than in previous years. How inflation, wages and economic prosperity within our diocese will develop is difficult to predict.

- **Parish share contributions**

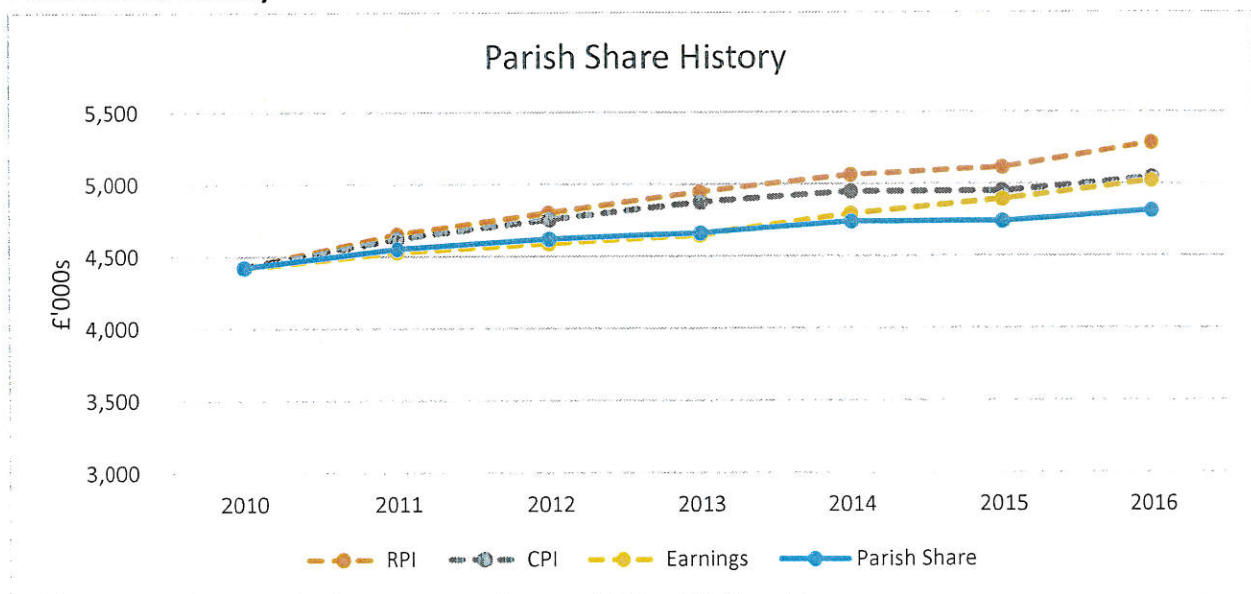
We continue to plan for a high rate of parish share receipts at 98% of our budget. As the largest part of our income, any fluctuation in that will impact on our results.

- **Clergy numbers**

Similarly, as our largest expenditure area, fluctuations in clergy numbers beyond our plans can have a significant impact on our results.

Contexts

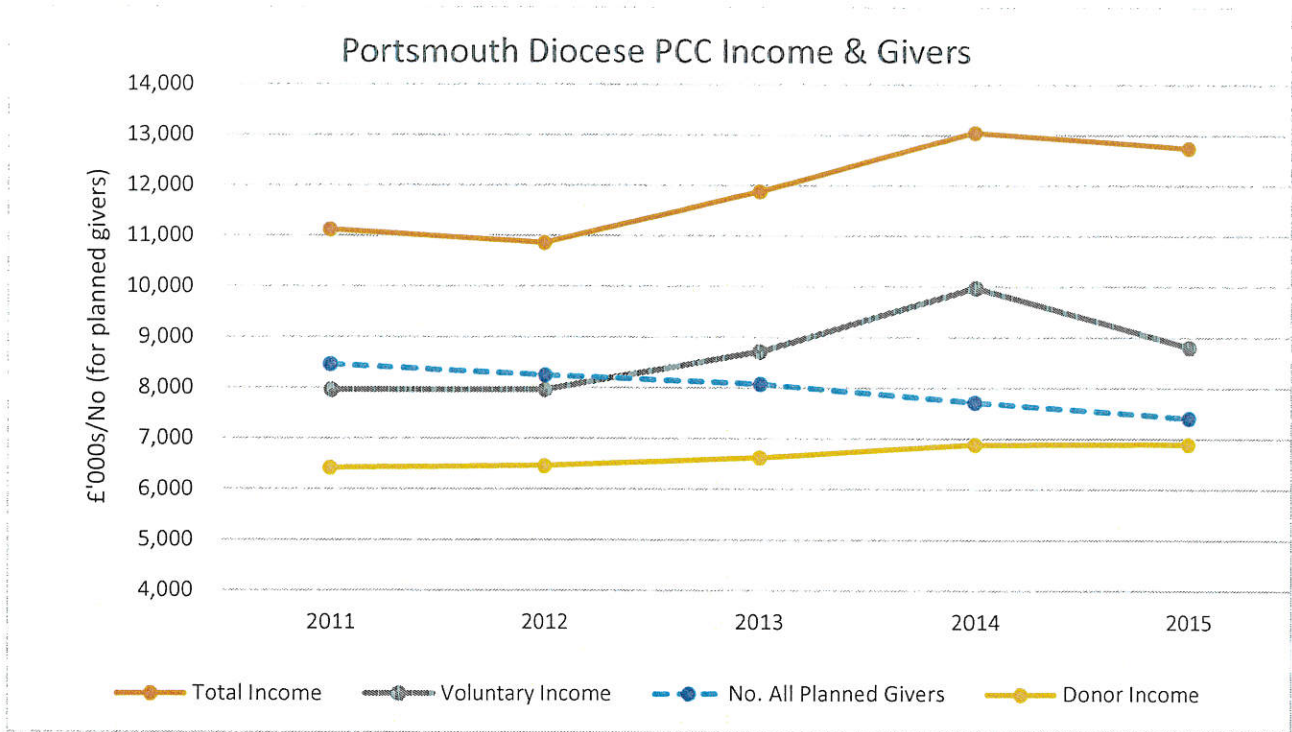
Parish share history



% Increases	2011	2012	2013	2014	2015	2016	2017 (Fcast)	Cumulative
Parish Share	2.9%	1.5%	0.9%	1.7%	0.0%	1.5%	1.9%	10.8%
CPI	4.5%	2.9%	2.5%	1.5%	0.0%	1.6%	3.0%	17.4%

Since 2011 we have been successful in keeping parish share below CPI & RPI each year with the exception of 2014; so over 7 years parish share has increased by only just over half the rise in CPI.

PCC Finances overall healthy despite reducing numbers of givers



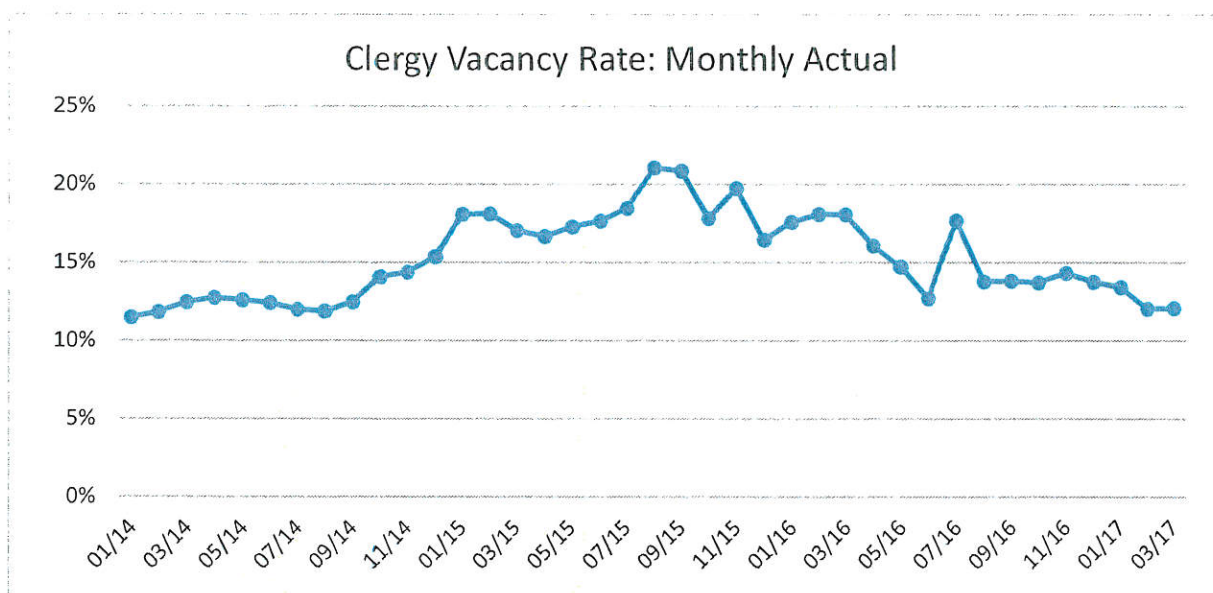
These are aggregated figures and the experience of individual parishes may be significantly different to the 'average'. However PCC Finances generally look to be remaining healthy. Although total PCC income fell in 2015 (latest available figures), this was due to lower legacy income, a typically fluctuating income source. Donation income continued to grow. However, planned givers continued to fall in line with the overall attendance statistics. So donors are giving more. However our overall donation rates continue to be in the bottom quartile of dioceses.

	2013	2014	2015
Giving as % of Estimated Average Income	3.1%	3.0%	3.0%
Rank (40 Dioceses)	34	32	32
National Comparison	3.3%	3.5%	3.5%

So there would seem scope for this to continue to increase as is borne out by our Stewardship Adviser's work with individual parishes and a number of success stories.

Clergy Vacancies

Changes in clergy vacancies have had a significant effect on our results in the last two years. The following graph tracks our vacancy rate.



Our expectation has been to be at about 12%. The increase in 2015 & 2016 was a mixture of posts being held whilst archdeaconry plans and parish re-organisations were finalised and some posts, particularly in the Isle of Wight, that have proved difficult to fill. Our vacancy rate is now returning to our expected rate.

However this, together with some exceptional recoveries of old parish share debts, has led to the surpluses for 2015 and 2016. Those surpluses are being used for the purposes approved by Synod and are incorporated into budget expenditure:

	2015	2016
	£'000s	£'000s
Vicarages (IOW)	-	100
Mission Opportunities Fund	-	30
Parish Share provision	-	15
Pension deficit	208	-
Extra curacy posts	232	90
Management Accounts Surplus	440	235

Our expectation is that the 2017 result will be close to budget with clergy vacancies reducing significantly compared with 2015 and 2016 and it will be tight for 2018 as we factor in reducing IOW posts whilst maintaining the same overall vacancy rate.

Use of reserves & SDF Funds

We are continuing to use reserves and the strategic development funding (£0.9m over five years) to increase expenditure. We are planning to come to the end of our three year programme of investing £600,000 to address historic underfunding of vicarage refurbishments in 2018. A further £100,000 will be spent on Isle of Wight vicarages from 2016 surplus. We also have £330,000 arising from surpluses in previous years that has been designated towards developing mission initiatives and that formed part of our matched funding for the strategic development funding from National Church which will be spent out over the next four years. A further £30,000 was allocated from the 2016 surplus for grants to parishes through the mission opportunities fund. Because of the need to train more clergy and the value of curacy posts, £322,000 from the 2015 and 2016 surpluses was designated towards supporting extra curacy posts which is expected to be spent out over the next three years.

Use of Reserves	Brought forward £'000s	2017 F'cast £'000s	2018 Budget £'000s	2019 Plan £'000s	2020 Plan £'000s	Carried forward £'000s
Property	500	(200)	(300)			-
Mission	359	(112)	(124)	(101)	(22)	0
Curates	322	(80)	(114)	(95)	(33)	(0)
	<u>1,181</u>	<u>(392)</u>	<u>(538)</u>	<u>(196)</u>	<u>(55)</u>	<u>(0)</u>

Changes in assumptions

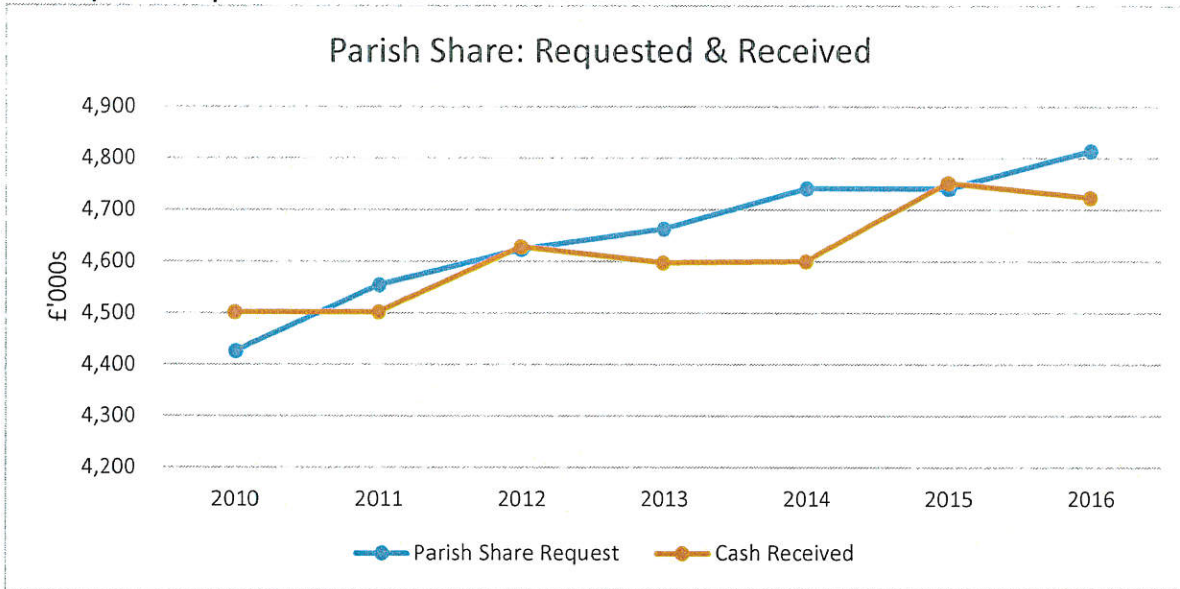
The following sets out some key assumptions and how they have changed against this time last year.

Growing inflation and economic uncertainty

With the fall in sterling, inflation is increasing. CPI is forecast to be at 3.0% by the end of this year. Salaries are forecast, on average, to rise by only 1% as employers respond to the economic uncertainty. Whilst we have been looking to keep parish share increases in line with CPI, this may well be a year when we need to do better than that. This will be a challenge given the overall environment of rising costs.

Parish share contributions continue to be very good

Portsmouth continues to have a high contribution rate. For 2016, including payments of arrears, parishes contributed 98.15% of the amount requested. So far this year we are running slightly ahead of the comparative position last year. We continue to work with parishes struggling to make their parish share particularly through the viability focus meetings. Continuing at a 98% assumption for parish share contributions seems reasonable.



	2010	2011	2012	2013	2014	2015	2016
% contribution	101.7%	98.9%	100.1%	98.6%	97.0%	100.3%	98.2%

Clergy stipends increase 2%

With the increase in inflation, we are planning that clergy stipends will now rise by 2% in April 2018. This is in line with the recommendation of the Central Stipends Authority. This is a mid-point between CPI forecast and median national salary earnings forecasts. This is more than our original assumption (1.5%) but below CPI.

Clergy Numbers reducing by 1.5 posts

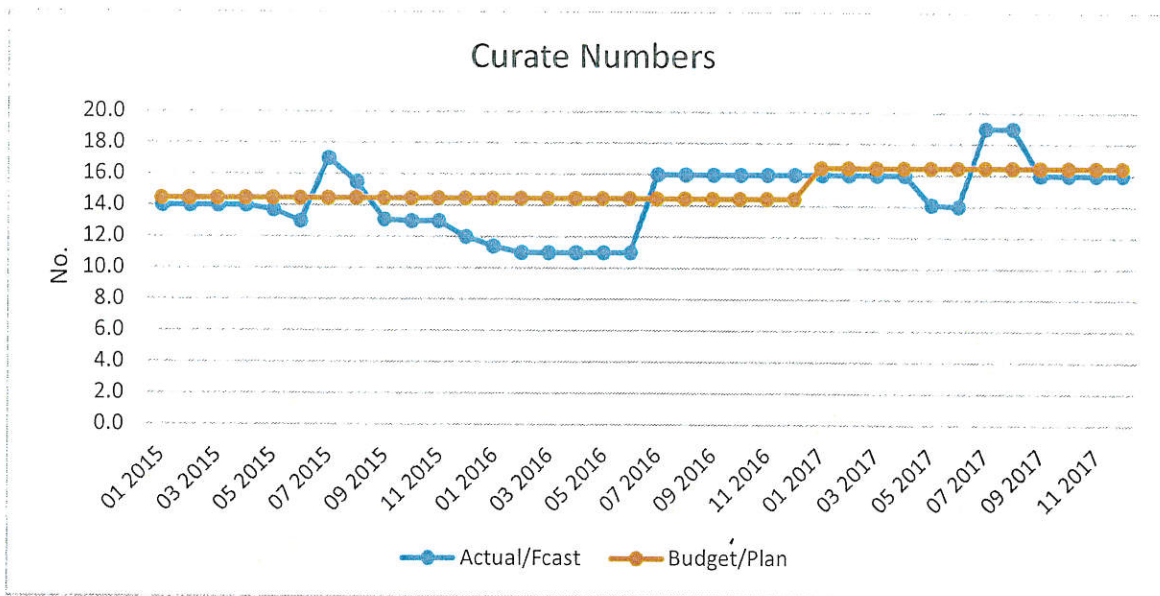
The Isle of Wight plan is progressing and we expect to have reduced by 1.5 posts to 20 posts in the Isle of Wight by 2018.

Clergy Vacancy Rate

As discussed, this can have a large impact on our overall results. We have had higher levels than we planned for. In 2015 it was because various posts were being held whilst the deanery plans were finalised; in 2016 vacancies were less but we still had some difficulties in filling Isle of Wight posts. In 2017 we have been successful in filling some Isle of Wight posts that had been vacant for some time. Clergy numbers are now aligning with our base assumption of being at 2014 levels.

Curate Numbers

We have taken on 5 curates for 2017. That is one more than we were planning but with quicker move-on of some of those in their fourth year we should still be on budget for 2017.

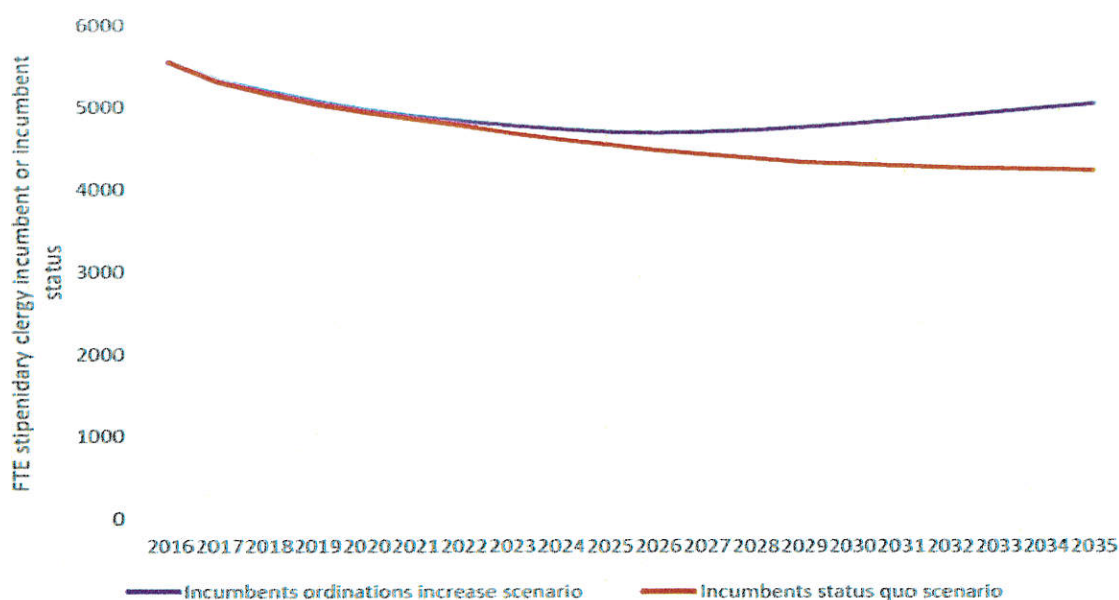


Plans for a further 6 in 2018 could take us over existing plans for 2018 depending on how soon posts are found for those in their fourth year.

National Church

Our contribution to the National church will rise by 4% in 2018. This is in line with our expectations. However being above inflation it puts pressure on our overall budget. And current forecasts for 2019 and 2020 show even larger rises. Nationally we have been successful in increasing ordinand numbers by 14% for 2017/18. The national goal is for them to increase by 10% each year so that we can address the shortage of clergy forecast over the next ten years while retirements run in excess of new clergy.

Figure 12 FTE incumbent/incumbent status stipendiary clergy projections



However this will mean the training and maintenance costs rising by more than 10% p.a. starting in 2019. We need to lobby for this to be capped by the Church Commissioners, who continue to have very impressive investment returns, so that we can continue to encourage vocations without being squeezed financially.

Other factors to feed in to the budget

The following factors are also impacting on our financial plans and budgets:

- **Apprenticeship Levy:** We are now being charged the 0.5% apprenticeship levy on clergy stipends. National plans to re-cycle this to support existing training spend do not look promising and it has been budgeted as an additional £12,000 cost.
- **Investment Income:** our investments continue to perform well and overall they increased in value by £0.8m in 2016. This has contributed to a higher overall investment income.
- **Investment in education team:** we are currently building up our education team. The plan is to increase the income for education services to pay for that. However there will be a timing difference and risk that needs to be managed. The plan is that we will use education reserves to cover this. Education funding from parish share is planned to continue at around the £100K level.
- **Pathway review:** we are due to review the local ministry training pathway.
- **Lay Salaries:** lay salaries increase in line with clergy at 2.0%.
- **Rental income:** as clergy vacancy rates fall, this reduces rental incomes. However this has been off-set by recognising the rents lost by housing some central clergy posts.
- **Staff Pension Scheme:** We have closed the staff defined benefit scheme. This will reduce in year pension contributions. However we await the scheme's latest valuation as at 31 December 2016, and are expecting a deficit. Our assumption is that increased contributions to clear the deficit will balance the saving on current contributions for 2018.
- **Strategic development funding:** We will be in the third year of our current strategic development funding from Archbishops' Council. We will be looking to put in a second bid

in the next 12 months so Bishop's Council will need to decide where best to focus that and we need to work out how we can provide support for that from our own funds.

- **Wickham Glebe Land Sale:** Planning permission has now been given for the development at Wickham which should realise £3m+ from Glebe land in due course. The amount and timings are still being negotiated. Bishop's Council will need to decide how best to utilise it when those become clearer. There probably needs to be a balance of investing some to support the main budget but using it also to drive forward growth initiatives, aligned with our second Church Commissioners bid. At the moment I have not taken any additional income from this into the draft budget.

Proposed parish share increase

Putting those factors into the budget model shows a parish share increase of 2.0%. As noted above, this is a reduction from the original 3.0% proposal. This was mainly due to the impact of the apprenticeship levy, National Church increases and some additional curacy cost. Although this was in line with forecast CPI we have looked to reduce this. We have done this by looking further at clergy numbers, in particular the plans on the Isle of Wight. This should see a reduction of a further 1.5 posts by the beginning of 2018. This would deliver a saving of about £50,000 achieving the 1% reduction. There is the danger that some of this has already been allowed for in our vacancy allowance. It would generally tighten our budget and increase the risk that clergy costs might exceed budget. It is certainly not a cost we would want to 'manage' to budget – appointments are made as quickly as possible whilst prioritizing that it is the right person in the right place. However given the fact that clergy costs, for a variety of reasons, have come in well below budget for the last two years it would seem reasonable to accept a higher level of risk. We could also be seeing more of an impact of the national shortage of clergy in appointments in 2018.

Although the main increase will be 2%, this will be the third year and final year of the transition to the new parish share allocations and this, together with changes in numbers of worshippers, will lead to differing increases in individual parishes.

2019 & 2020

Indicative figures for 2019 and 2020 are given in the schedules. However we will undertake a full consultation process in 2018 on the shape of the diocesan budget for 2019-2021. At the moment we are assuming inflation will be at 2.5% and parish share increases to match this. This could be a challenge – mainly because the forecasts for our contribution to the national church for ordinand training and maintenance show increases of 15% p.a.+ if ordinand numbers increase in line with targets. We will need the Church Commissioners to mitigate this increase for dioceses. There seems a realistic prospect of this but as yet there is no commitment.

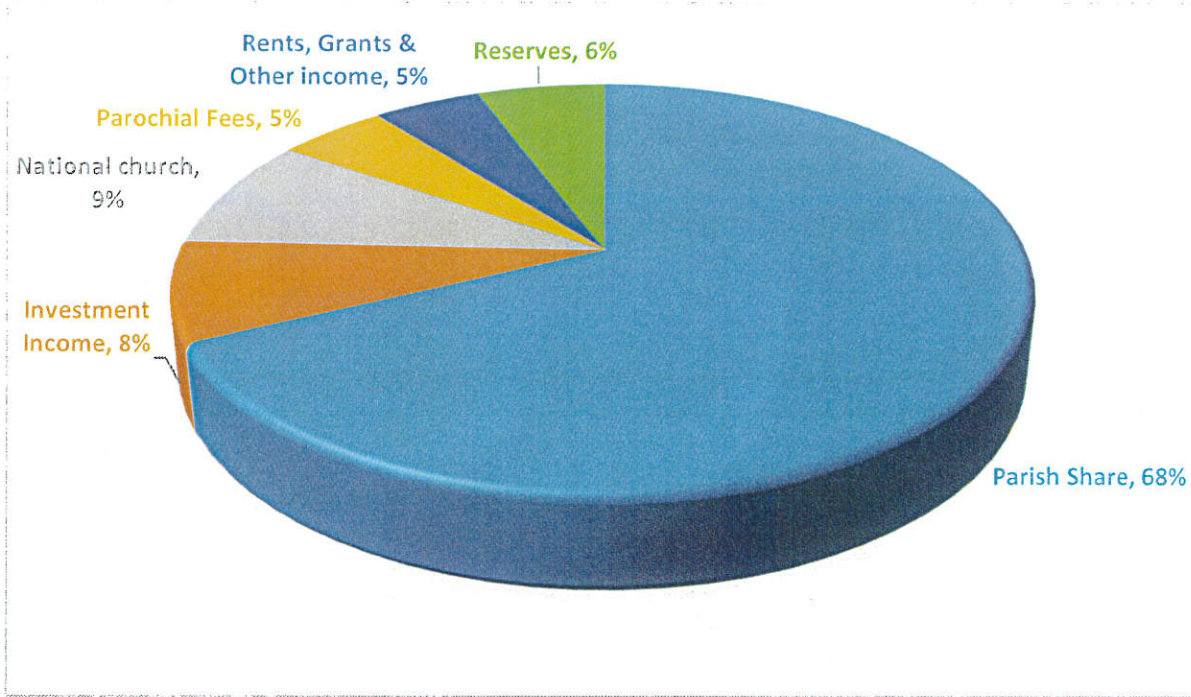
Malcolm Twigger-Ross
October 2017

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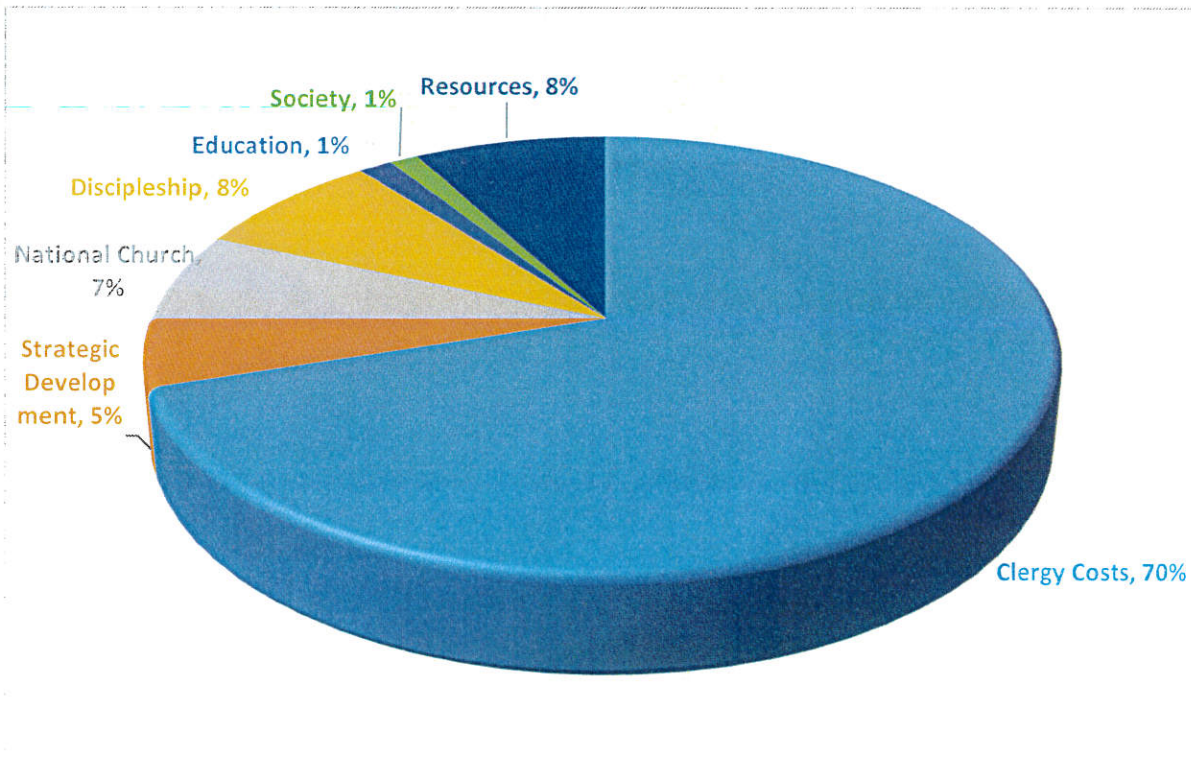
Financial Schedules

	2015 Actual £'000s	2016 Actual £'000s	2017 Budget £'000s	2017 F'cast £'000s	2018 Budget £'000s	Movement	
						v.F'cast %	v.Budget %
INCOME							
Parish Share	4,754	4,726	4,808	4,808	4,904	2.0%	2.0%
Investment Income	554	617	555	541	553	2.3%	-0.3%
National Church	410	397	365	365	379	3.8%	3.8%
National Church - SDF	-	184	256	53	181	241.5%	-29.3%
Property Income	166	177	175	175	178	1.7%	1.6%
Parochial Fees	433	398	345	370	365	-1.4%	5.8%
Grants	166	167	165	165	168	1.7%	1.7%
Programme Income	9	10	9	9	9	1.7%	1.5%
	<u>6,491</u>	<u>6,675</u>	<u>6,678</u>	<u>6,486</u>	<u>6,737</u>	3.9%	0.9%
EXPENDITURE							
Clergy Costs	4,514	4,797	4,957	4,958	5,154	4.0%	4.0%
Strategic Development	-	184	353	165	305	84.7%	-13.6%
National Church & Ordinands	432	441	464	468	487	4.0%	4.9%
Mission & Discipleship	450	513	562	523	570	9.0%	1.4%
Mission & Education (net)	432	102	100	101	102	1.6%	2.1%
Mission & Society	75	69	82	89	85	-4.3%	3.5%
Mission & Resources	596	534	566	537	572	6.6%	1.0%
	<u>6,499</u>	<u>6,640</u>	<u>7,085</u>	<u>6,840</u>	<u>7,276</u>	6.4%	2.7%
Surplus/(Deficit)	(8)	35	(407)	(354)	(538)		
Use of Reserves	130	200	407	392	538	37.3%	32.1%
	<u>122</u>	<u>235</u>	<u>0</u>	<u>38</u>	<u>(0)</u>		

Budget Income % Split



Budget Expenditure % Split



INCOME	2015	2016	2017	2017	2018	2019	2020
	Actual	F'cast	Budget	F'cast	Budget	F'cast	F'cast
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Parish Share	4,742	4,815	4,906	4,906	5,004	5,129	5,258
Shortfall	12	(89)	(98)	(98)	(100)	(103)	(105)
Investment Income	554	617	555	541	553	557	574
National Church	410	397	365	365	379	393	393
National Church - SDF	-	184	256	53	181	186	171
Grants	166	167	165	165	168	171	175
Property Income	166	177	175	175	178	181	184
Parochial Fees	433	398	345	370	365	370	382
Programme Income	9	10	9	9	9	10	10
Total Income	6,491	6,675	6,678	6,486	6,737	6,895	7,041
EXPENDITURE	2015	2016	2017	2017	2018	2019	2020
	Actual	Actual	Budget	F'cast	Budget	F'cast	F'cast
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Clergy Costs	4,514	4,772	4,957	4,958	5,154	4,937	4,988
Strategic Development Fundir	-	184	353	165	305	287	193
National church & Ordinands	432	441	464	468	487	506	527
Mission & Discipleship	450	513	562	523	570	578	590
Mission & education (net)	115	102	100	101	102	102	103
Mission & Society	75	69	82	89	85	97	101
Mission & resources	596	534	566	537	572	582	594
Total Expenditure	6,182	6,615	7,085	6,840	7,276	7,091	7,096

Mission and Clergy	2015	2016	2017	2017	2018	2019	2020
	Actual	Actual	Budget	F'cast	Budget	F'cast	F'cast
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Stipends	2,313.2	2,449.2	2,570.0	2,552.8	2,614.8	2,656.3	2,655.4
Employer's National Insurance	175.6	185.7	200.3	192.3	204.4	207.6	211.8
Pension Contributions	806.4	843.1	876.1	910.0	906.9	925.1	943.6
Council Tax	199.6	205.9	206.5	220.1	210.0	213.2	223.8
All housing Repairs and Insurance	858.3	925.8	928.4	923.5	1,039.6	753.8	768.9
Retired Lay Workers/Clergy Support	(0.9)	(1.1)	(1.6)	(16.4)	(1.6)	(1.6)	(1.7)
Clergy Removal Expenses	62.7	66.2	63.3	63.3	64.2	65.2	66.5
1st Appointment Grants	33.6	31.6	30.0	25.2	30.5	30.9	31.5
Clergy Posts: Interview expenses	10.4	5.7	7.5	10.5	7.6	7.7	7.9
Deanery Support	51.9	59.9	75.4	75.4	76.5	77.7	79.2
Pastoral Care Services	2.7	(0.5)	1.2	1.2	1.2	1.2	1.3
Total	4,513.6	4,771.7	4,957.0	4,958.0	5,154.2	4,937.1	4,988.1

Strategic Development	2016	2017	2017	2018	2019	2020
	Actual	Budget	F'cast	Budget	F'cast	F'cast
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Pioneer Posts	-	135.0	35.0	125.0	125.0	100.0
Project Costs	-	35.1	25.1	35.1	25.1	15.0
Mission Opportunities grants	-	20.0	35.0	35.0	20.0	20.0
Harbour Church Plant	183.7	110.1	50.1	52.0	43.8	-
Lay Pioneer Development	-	-	-	-	-	-
Leadership & Monitoring	-	53.0	20.0	58.0	73.0	58.0
Total	183.7	353.2	165.2	305.1	286.9	193.0

Funding : National Church	183.7	256.0	53.0	181.0	186.0	171.0
Funding: Reserves	-	97.2	112.2	124.1	100.9	22.0

National Church & Ordinand training	2015	2016	2017	2017	2018	2019	2020
	Actual	F'cast	Budget	F'cast	Budget	F'cast	F'cast
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Training for Ministry (Vote 1)	158.2	162.7	174.3	170.9	177.2	184.3	191.6
Central Church Activities (Vote 2&3)	135.1	138.3	144.4	150.9	156.4	162.7	169.2
Mission Agencies - pensions (Vote 4)	9.3	9.6	1.6	1.6	1.7	1.8	1.9
Clergy retirement housing (Vote 5)	50.4	53.1	55.4	56.2	59.6	61.9	64.4
Ordination Training Support	68.1	67.3	74.2	74.2	77.2	80.3	83.5
General Synod: Members' Expenses	7.3	7.2	8.1	8.1	8.4	8.8	9.1
Synodical Expenses	2.6	2.3	5.2	5.2	5.4	5.6	5.8
Lambeth Conference contribution	1.1	1.0	1.0	1.0	1.0	1.1	1.1
Total	432.1	441.4	464.2	468.1	486.9	506.4	526.7

Mission and Discipleship	2015	2016	2017	2017	2018	2019	2020
	Actual	Actual	Budget	F'cast	Budget	F'cast	F'cast
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Staff Employment Costs	300.4	288.1	354.9	312.6	358.8	365.1	372.4
Section Expenses	15.9	21.7	18.9	18.9	19.2	19.5	19.9
Project Expenses	11.7	11.4	15.1	18.5	15.3	15.5	15.8
Programme Expenses	92.9	163.9	146.0	146.0	148.2	150.4	153.4
Mission & development Fund	-	-	-	-	-	-	-
Apportioned Office Services / Staff C	28.8	27.4	27.0	26.6	28.4	27.9	28.3
Total Expenditure	449.8	512.6	561.8	522.7	569.9	578.4	589.8

Mission and Education	2015	2016	2017	2017	2018	2019	2020
	Actual	Actual	Budget	F'cast	Budget	F'cast	F'cast
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Income (Fees)	(40.1)	(35.0)	(45.1)	(65.7)	(105.8)	(201.5)	(302.4)
Staff Employment Costs	400.1	422.2	425.6	492.2	696.1	798.3	786.7
Apportioned Building/services Cost	51.6	49.8	49.2	49.4	51.6	50.4	51.2
Activity Costs	46.3	56.9	54.2	54.2	55.0	55.8	56.9
Academies Costs	16.7						
Total Expenditure	474.6	494.0	483.8	530.2	696.9	703.0	592.4
Winchester - Education Funds	(111.9)	(127.1)	(120.0)	(150.9)	(258.9)	(259.9)	(183.1)
Winchester - Parish share	(195.0)	(204.0)	(202.6)	(202.6)	(205.6)	(208.7)	(211.9)
Portsmouth - Education Funds	(52.7)	(60.6)	(61.2)	(76.2)	(130.1)	(132.0)	(94.1)
Portsmouth - Pshare	(115.0)	(102.3)	(100.1)	(100.6)	(102.2)	(102.3)	(103.4)
	-	-	-	-	-	-	-

Mission and Society	2015	2016	2017	2017	2018	2019	2020
	Actual	Actual	Budget	F'cast	Budget	F'cast	F'cast
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Staff Employment Costs	125.9	142.9	142.8	64.6	145.0	147.9	150.8
Apportioned Building Costs	32.9	31.3	30.7	30.7	32.3	42.9	44.5
Activity Costs	11.0	16.3	11.8	11.8	12.0	12.2	12.5
Gross Costs	169.8	190.5	185.4	107.1	189.3	203.0	207.7
Income	(141.8)	(173.8)	(154.7)	(69.7)	(156.5)	(159.0)	(161.6)
Net Costs	27.9	16.7	30.7	37.4	32.8	44.0	46.2
Communications	47.5	52.0	51.6	51.6	52.4	53.4	54.5
Total	75.4	68.7	82.3	89.0	85.2	97.4	100.7

Mission and Resources	2015	2016	2017	2017	2018	2019	2019
	Actual	Actual	Budget	F'cast	Budget	F'cast	F'cast
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Central Support	268.7	275.6	282.8	274.7	281.7	287.4	293.1
Archdeacon Support	44.2	39.9	47.5	38.8	48.5	49.5	50.5
Finance	96.0	95.3	102.6	98.8	104.6	106.7	108.8
Safeguarding	40.8	51.8	53.6	53.9	54.4	55.5	56.6
Registrar	21.6	23.2	23.5	22.6	23.2	23.9	24.3
Apportioned Building Costs	52.0	49.3	48.3	49.1	49.1	50.0	51.0
Other Activity Costs	27.6	8.2	15.1	6.0	17.9	16.6	17.3
Income	(18.8)	(29.4)	(27.8)	(28.2)	(28.4)	(29.0)	(29.5)
Total	532.1	513.9	545.7	515.7	551.1	560.6	572.2
Pension liability & Cathedral Grant	64.2	20.5	20.8	21.1	21.1	21.5	22.0
Total	596.4	534.4	566.5	536.8	572.2	582.1	594.1

£'000s	2017			2017			2018			Variance	
	Budget			Forecast			Budget			Budget	F'cast
	Spend (Gross)	income offset	Net	Spend (Gross)	income offset	Net	Spend (Gross)	income offset	Net		
MINISTRY TRAINING & SYNODICAL GOV'T											
Ordination training support	74	-	74	74	-	74	77	-	77	(3)	(3)
Training for Ministry	174	-	174	171	-	171	177	-	177	(3)	(6)
Central Church Activities	144	-	144	151	-	151	156	-	156	(12)	(6)
Mission Agencies - pensions	2	-	2	2	-	2	2	-	2	(0)	(0)
CHARM: Clergy retirement house	55	-	55	56	-	56	60	-	60	(4)	(3)
Other Synodical costs	14	-	14	14	-	14	15	-	15	(1)	(1)
	464	-	464	468	-	468	487	-	487	(23)	(19)
CLERGY MAINTENANCE											
Stipends	2,570	(1,004)	1,566	2,498	(1,015)	1,483	2,615	(1,031)	1,584	(17)	(101)
Council Tax	206	-	206	220	-	220	210	-	210	(4)	10
National Insurance	200	-	200	192	-	192	204	-	204	(4)	(12)
Pension Contributions	876	-	876	910	-	910	907	-	907	(31)	3
All housing Repairs and Insurance	928	(282)	646	920	(282)	637	1,040	(287)	753	(107)	(116)
Retired Lay Workers/Clergy Support	1	(3)	(2)	2	(18)	(16)	1	(3)	(2)	0	(15)
Removal Expenses	63	-	63	63	-	63	64	-	64	(1)	(1)
Appointment Grants	30	-	30	25	-	25	30	-	30	(0)	(5)
Interview expenses	8	-	8	11	-	11	8	-	8	(0)	3
Deanery Posts	75	-	75	75	-	75	77	-	77	(1)	(1)
Pastoral Care Services	1	-	1	1	-	1	1	-	1	(0)	(0)
	4,960	(1,289)	3,671	4,917	(1,315)	3,602	5,157	(1,321)	3,837	(165)	(234)
STRATEGIC DEVELOPMENT											
Pioneer Posts	135	(256)	(121)	94	(53)	41	125	(181)	(56)	(65)	97
Project Costs	35	-	35	25	-	25	35	-	35	-	(10)
Grant fund	20	-	20	35	-	35	35	-	35	(15)	-
Harbour Church Plant	110	-	110	50	-	50	52	-	52	58	(2)
Lay Pioneer Development	-	-	-	-	-	-	-	-	-	-	-
Leadership & Monitoring	53	-	53	20	-	20	58	-	58	(5)	(38)
	353	(256)	97	224	(53)	171	305	(181)	124	(27)	47
MISSION AND DISCIPLESHIP											
Staff Employment Costs	355	(94)	261	313	(94)	219	359	(96)	263	(2)	(45)
Other Costs	207	(47)	159	210	(48)	162	211	(48)	163	(4)	(1)
	562	(141)	420	523	(142)	381	570	(143)	426	(6)	(46)
MISSION AND EDUCATION											
Staff Employment Costs	426	(384)	42	492	(430)	63	696	(595)	101	(60)	(39)
Other Costs	103	(45)	58	104	(66)	38	107	(106)	1	57	37
	529	(429)	100	596	(495)	101	803	(700)	102	(2)	(2)
MISSION AND RESOURCES											
Staff Employment Costs	588	(83)	505	551	(76)	475	592	(84)	507	(2)	(32)
Other Costs	104	(63)	41	104	(63)	41	107	(64)	44	(3)	(3)
	692	(146)	546	655	(140)	516	699	(148)	551	(5)	(35)
MISSION AND SOCIETY incl COMMUNICATIONS											
Staff Employment Costs	195	(123)	72	117	(38)	79	198	(125)	73	(1)	6
Other Costs	59	(49)	10	59	(49)	10	61	(49)	12	(2)	(2)
	254	(172)	82	176	(87)	89	259	(174)	85	(3)	4
OTHER DIOCESAN CENTRAL SUPPORT											
Contribution to pension scheme	5	-	5	5	-	5	5	-	5	(0)	-
Grant to Cathedral	16	-	16	16	-	16	16	-	16	(0)	-
	21	-	21	21	-	21	21	-	21	(0)	-
Total above	7,835	(2,433)	5,402	7,580	(2,232)	5,349	8,301	(2,667)	5,634	(232)	(285)
Unrestricted Income		(187)	(187)		(187)	(187)		(191)	(191)	4	4
Reserves		(407)	(407)		(392)	(392)		(538)	(538)	131	146
Shortfall		98	98		98	98		100	100	(2)	(2)
Parish Share Budget		(4,906)	(4,906)		(4,906)	(4,906)		(5,004)	(5,004)	98	98
	7,835	(2,929)	(0)	7,580	(2,712)	(38)	8,301	(3,297)	0	(0)	(38)
Share Increase		1.9%						2.0%			

Appendix: Summary of Individual Responses

Parish	Issue
St Faiths, Lee-on-Solent	Dio 2% reasonable but bigger impact on PCC - extra 30k in period 2010-18. Not sustainable trend. Using reserves.
St James, East Cowes	AWA nbr 20% higher than current nbrs = % increase above average
Holy Trinity, Ventnor	Falling AWA and increase in share of 3.87% Reliant on legacies and reserves
St Mary, Buriton	Extensive criticism of budget process and additions to reserves i/o reduction in share
St Nicholas, Wickham	Endorses the budget and will pay + 1% to MOF
St Peters, Titchfield	Ask to publish on website how parish Share is worked out
Niton	Ask to consider a 5 yr AWA instead of 10 due to falling nbrs
St Saviour, Shanklin	Do not expect to be able to meet full share 10 yr AWA too long
Bridgemary and Elson	Questioning holding salary levels in contrast to many other charities. Old and declining nbrs. Challenging use of 100k for IOW vicarage and clearing of St Margaret's Southsea share. Challenging increase of M&D budget - s/b parish lead!! Wondering where pastoral care has gone for the old and those liking traditional worship.
St Matthew's, Blackmoor	Comments/feedback should be at Deanery level
Petersfield Deanery	Asked for more info re clergy nbrs, AWA data, investment.....
Farlington	In agreement
IOW Deanery	10 yr AWA too long - 5 better. Too short deadline for responses. Change reporting to clear in-year share first.
PCC member at Brighstone IOW	Concerns of seasonal impact on AWA
Crofton	Tension between supporting diocese and mission in local area
St Mary's, Portchester	Support the budget and paper

