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DISCUSSION & APPROVAL OF THE 2023 BUDGET

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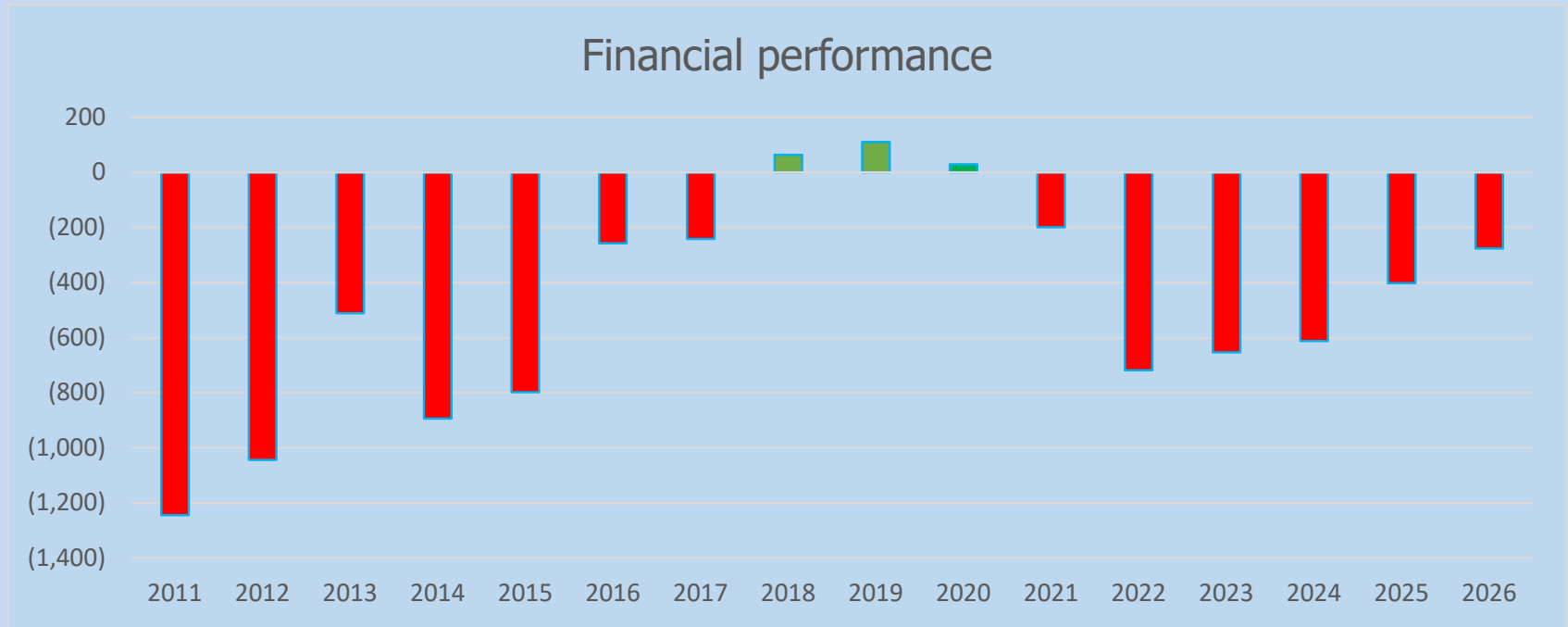
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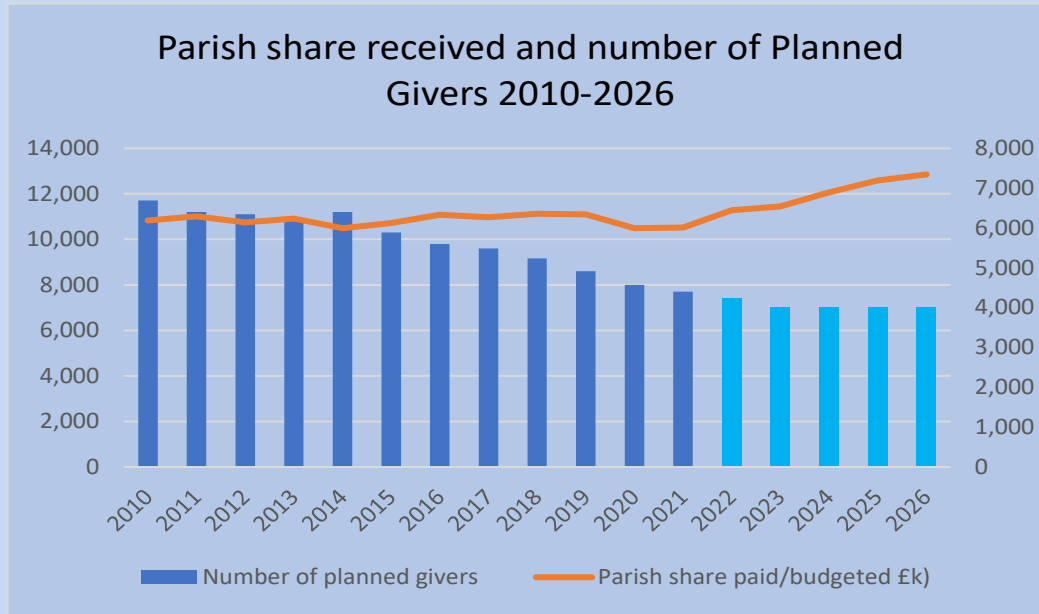
THE CHURCH
OF ENGLAND
**Diocese of St Edmundsbury
and Ipswich**

Unrestricted Fund: Financial performance from 2011 to 2023

£'000



The recent past and current conditions: Risks & challenges



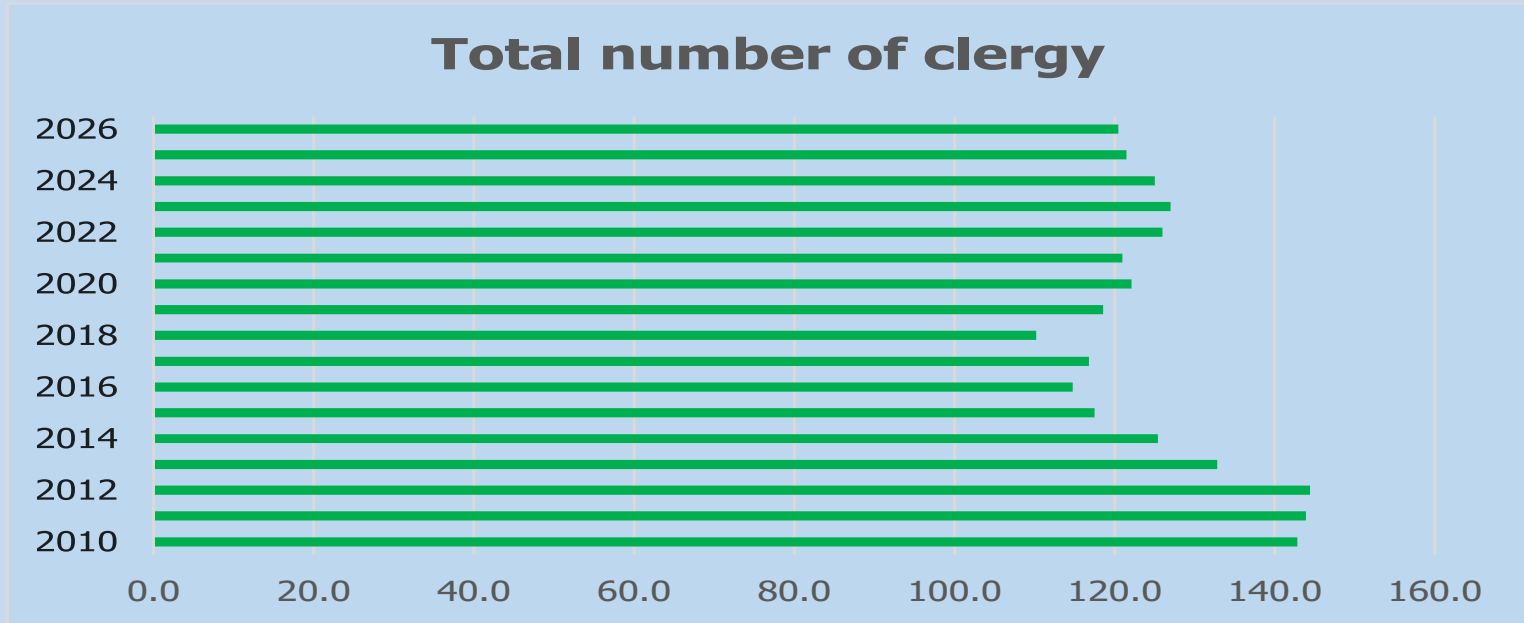
Risks

Parish share – positive response and stable (pre-Covid), need to consider resilience of **parish income with the cost of living crisis, fewer planned givers and ageing congregations**

Always seek **DBF cost savings** to improve efficiency but significant cost challenges, especially around condition of **housing stock**

Challenges of **Cashflow** and **impact on reserves** of ongoing deficits

The recent past and current conditions: Opportunities



Clergy numbers have been maintained

Opportunities

Positive impact of **missional leadership, increased vocations and Growing in God strategy**

Growing Younger plans & investment in developing **external income**

Unrestricted Fund - 2022 context for 2023 budget

	Actuals - Year to 31 st August	Full year forecast	Full year budget
	£m	£m	£m
Deficit	(0.6)	(0.7)	(0.7)
Parish Share Receipts	3.6	6.1	6.4
	Number (FTE)	Number (FTE)	Number (FTE)
All clergy (number) (excluding SDF related posts)	108.6	115.1	119.0
All clergy (number) (Including SDF related posts)	116.1	122.1	126.0

In line with budget - with potential lower Parish share receipts offset by lower clergy costs due to current vacancy rate and some activity related cost savings offset by cost pressures

2023 unrestricted fund budget (Table 2)

Key assumptions:

- Parish share request £7.35m (collect £6.54m) 5% increase from 2022 but not increased since 2020.
- Average clergy number is 120 FTE and 127 FTE including SDF project related roles
- 4% pay increases for staff and clergy
- 2% non-pay increases (2-10% for property) but inflationary pressures
- Cashflow - sale of two properties to maintain liquidity
- On this basis **outcome is a deficit of £0.7m**



All funds - unrestricted and restricted together (Table 1)

	Budget 2022 £k	Budget 2023 £k	Plan 2024 £k	Plan 2025 £k	Plan 2026 £k
Unrestricted (Table 2)	(718)	(654)	(613)	(403)	(276)
Churchgates (Table 3)	42	42	40	39	37
Schools (Table 4)	(112)	(25)	(31)	(36)	(41)
Other restricted funds & accounting adjustments (Table 1)	290	(52)	(52)	(52)	(52)
Total deficit (Table 1)	(498)	(689)	(656)	(452)	(332)

2023 Income and expenditure	Income £k	Expenditure £k	Net Surplus / (Deficit) £k	Source
Parish Share <small>(before shortfall allowance)</small>	7,350			
Other sources of income	<u>3,347</u>			
Day to day activities	10,697	(11,351)	(654)	Table 2
Churchgates <small>(subsidiary company)</small>	111	(69)	42	Table 3
DBE	296	(321)	(25)	Table 4
Pastoral account (DPA, restricted)		(50)	(50)	Table 1
Other restricted funds	75	(77)	(2)	Table 1
Total	11,179	(11,868)	(689)	
Accounting adjustments <small>(pension deficit , interest on pension scheme)</small>			0	Table 1
Net Surplus / (Deficit) per Table 1 of DS(20)P05.1			(689)	Table 1