

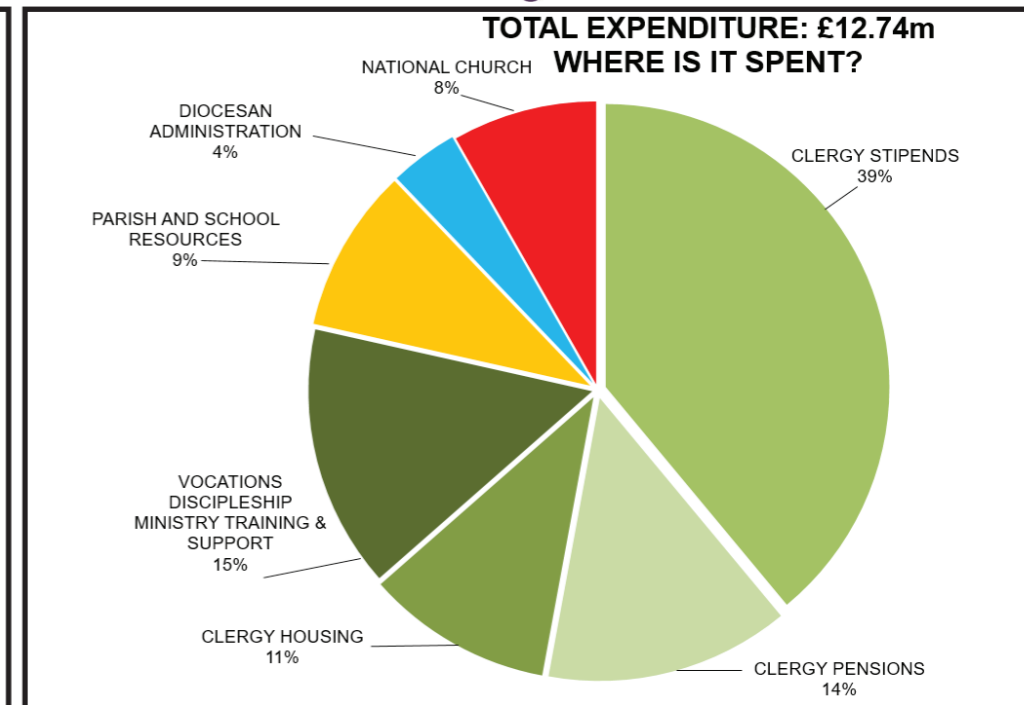
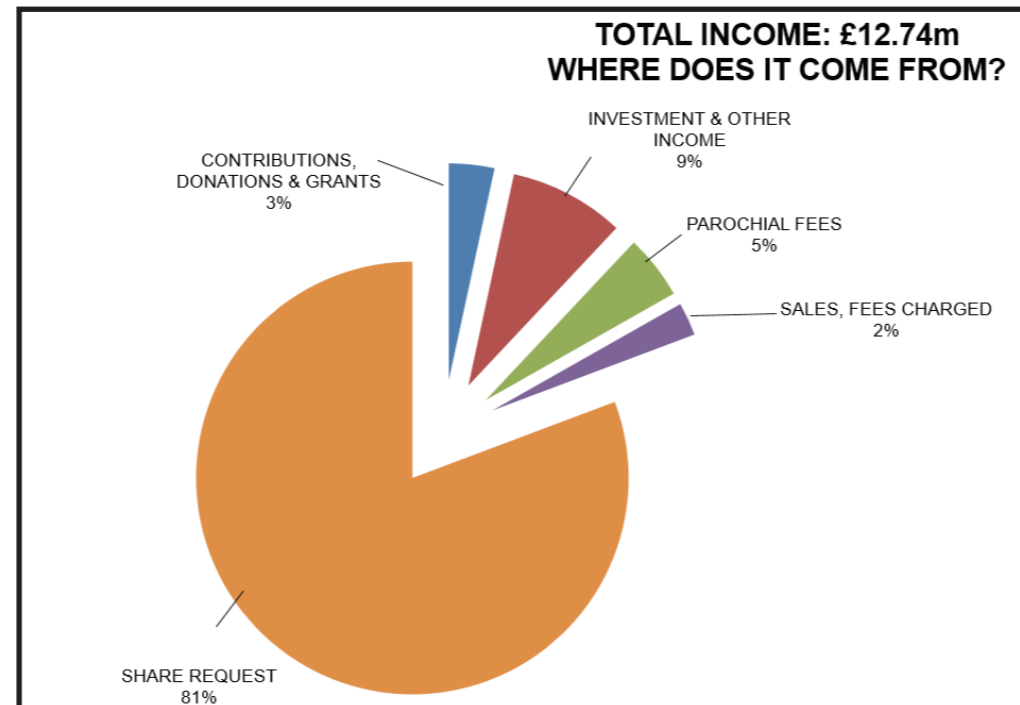
2018 Draft Budget

Supporting the mission and ministry of the Diocese of Salisbury

Renewing **HOPE**
Pray • Serve • Grow

Key Points

- The Diocesan budget for share will increase by 2.5% in 2018 **in line with projected inflation**.
- Budgeted expenditure for 2018 is £12.7 million. Of this:
 - 64% will go directly to pay for clergy stipends, pensions and housing.
 - 24% provides for parish and school resources, vocations, discipleship and ministry training.
 - An estimated 8% will go to the National Church.
 - 4% will be spent on administration.
- We need to plan for income that covers expenditure.
- 19% will come from investments, fees, grants, etc. This covers all administration costs, our payment to the National Church, and pays 8% of the cost of ministry.
- For the remaining 81% we depend on parish share. Thanks to our other income, this pays for only 92% of the cost of parish ministry.
- The budget does not include any contingency for non-payment of share. Your share payment in full is therefore vital for us to maintain clergy numbers.



These charts show the draft budget for share, to be brought to Diocesan Synod on 14 June 2017.

Comments or questions can be sent to: Lucinda Herklots, Diocesan Secretary, Church House, Crane Street, Salisbury, SP1 2QB or lucinda.herklots@salisbury.anglican.org.

A more detailed budget guide and a guide to Fairer Share are available at www.salisbury.anglican.org.

KEY CHANGES

Increases in Core Costs

- Provisional budget increase for annual stipend and lay salary review.
- Increases in council tax, utilities, maintenance of clergy housing and removals.
- New Apprenticeship Levy and higher Insurance Premium Tax.
- Rise in the cost of safeguarding – training, casework and DBS checks.

Investing for the Future

- Identifying, developing and preparing the clergy of the future:
 - 6.3% increase in National Training levy due to rising number of ordinands.
 - Additional part-time post - Assistant Diocesan Director of Ordinands.
 - New one-year rural placements for young people exploring ministry.
- Support for clergy by way of increased confidential counselling and mediating.
- Costs associated with Parish Giving Scheme and part-time accounting support.

Savings

- Fewer church buildings inspections need funding in 2018.
- Removal of two surplus stipendiary posts.

Income outside Share

- Increased income from rental of vacant parsonages.
- Additional fee income for 3rd party work by the Property Dept.
- Possibility of further grants from National Church.
- Potential risk of lower investment income.

This draft budget introduces a 2018 share increase broadly in line with inflation, enabling us to continue along the path of the diocesan Vision of *Renewing Hope: Pray, Serve, Grow* introduced by Bishop Nicholas in 2015.

Our Vision is of a thriving Christian presence in every community. With a significant number of clergy retirements in the next decade, to maintain current numbers, we must invest in training a new generation of committed clergy. We are therefore in the difficult position of investing for the future, whilst funding current mission and ministry, and also paying for the past with increases in safeguarding costs and high contributions to fund the pension gap.

The 2.5% budget increase for 2018 is below this year's projected RPI inflation of 3.1% (source: HM Treasury, Feb 2017) yet remains significant. I appreciate it will be unwelcome with parishes already finding it tough to pay share.

The Finance Committee keeps a tight rein on costs and maximises outside income. Fairer Share is designed to ensure that every parish – including smaller and poorer communities – has a share of ministry. Fortunately, 84% of parishes pay share in full. 2016 share collection remained strong at 97.5% (up to 31 January 2017). We also receive some outstanding payments for past years. We would love to hear from those who could consider this!

The burden on each member will be lower if we find we have been successful in growing numbers when the count results are known, or if we can reverse the trend of parishes moving down in category. We are already being successful in encouraging more people to explore vocations, but haven't yet seen an upturn in overall membership, though **many parishes are growing**, proving this is possible.

A new service in 2017 will benefit parish fundraising with a reduction in administration time. The Parish Giving Scheme (PGS) allows people to give to their local church by direct debit. Further details will come soon.

We are **enormously grateful** for your help in maintaining the Diocese's strong financial position, enabling us to nurture and grow our Christian Mission. Please contact me or the diocesan team should you need support.

With warmest thanks and best wishes,

Nigel Salisbury, Chairman, Salisbury Diocesan Board of Finance