

The 2020 Budget

The first thing is we know that Fairer Share is only one of the calls upon parishes for funds. However it is a fundamentally important one as it is the means by which we pay the stipends, pensions, housing and training of our clergy, the salaries of our staff and make an equitable contribution towards the wider Church – largely through Archbishops' Council.

We do hear your feedback and whilst we can't necessarily act on everything, we have specifically:

- Tried to simplify the budget as far as possible into a single diocesan budget, rather than the previous budget for Share, and then some other stuff that went on around the back
- We are trying in the same vein to be transparent and clear about where the money goes and where it comes from, not only through the budget guide but through our wider written communications, visits to parishes and deaneries and training
- Feedback indicates that people found the difference between what we set as the Share budgetary increase and the per capita increase confusing or perhaps an attempt to conceal the true picture. So we have - at some inconvenience to parishes I know, and some disapproval that it took place in Lent. But we have moved the count this year so that we could take the outcome into consideration in setting the budget and give you a per capita figure as well as the normal budgetary increase figure
- And hearing a clear message from an increasing number of parishes over their ability to pay we have tried to minimise the increase in what is a transitional year before the outcomes of the reviews are known and we are able to draw up plans to balance the budget in a 3 year plan for the years 2021 – 2023

So to get quickly to the point:

We are proposing an expenditure increase of 0.4% above what was spent in 2018 but 0.4% less than the budget for 2019.

Our income is projected to show 2% growth and the difference between the two enables us to make a little progress on the deficit.

Our Share request for 2020 will therefore be an increase of 1.48% (CPI 1.9%/2%)

And taking account of the decline of 577 in Fairer Share numbers, the per capita increase will be 2.86%

Of course how that translates into what parishes will actually pay depends on the local count result, category etc and will be published in the autumn.

Everything else you need to know is contained in the budget guide and I hope you find this useful – thank you Liz for this to Clarissa, Carole, David for your input.

There are a few significant variances between 2020 and either 2019 or in some cases 2018 that I'd like to draw your attention to which are:

- The 2020 budget allows for a stipendiary increase which will be subject to agreement next year but it does keep us towards the top end in terms of benchmarking.
- The budget does send a challenge to the property team in terms of capital repairs to clergy houses – on a temporary basis. Page 5 shows this is making a significant contribution (£150k) towards keeping the increase down.
- You'll see that investment income is diminishing as we have sold some of our high yielding bonds in order to fund the purchase of houses
- Rental income is also budgeted to fall in 2020 from 2018 levels which probably reflects increased occupancy of houses – which is obviously a good thing – albeit sets us a challenge financially