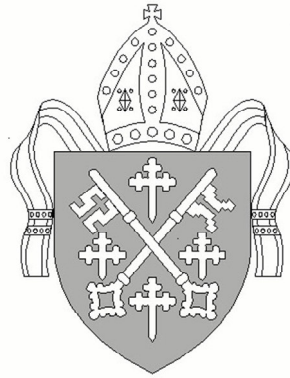


Peterborough Diocesan Board of Finance



2009-11

Budget Book



**Diocese of Peterborough
Diocesan Office
The Palace
Peterborough
PE1 1YB**

Tel: 01733 887000

Fax: 01733 555271

Email: finance@peterborough-diocese.org.uk

Peterborough Diocesan Board of Finance

2009-11 Budget Book

Contents

Pages 1-2

Budget Narrative

Page 3

Statement of Budget Strategy

Pages 4-7

Details of Budgets 2009-2011



1. INTRODUCTION

This year's Budget Book details the 2008 Final Out turn, the 2009 Approved Budget, the 2009 Projected Out turn, the 2010 Proposed Budget and a Position Statement for 2011.

The outcome for 2008 was significantly better than in 2007, with a budget deficit of £21,000. Although there was a shortfall of £330,000 in parish share receipts this was offset by higher investment income and lower stipend costs, given that clergy numbers were below the budgeted figure.

The outlook for 2009 is of growing concern as the impact of the recession continues to affect income levels both from donors and from investments. At this stage we are hopeful that we will finish the year without a deficit, not least as clergy recruitment is slow.

2 DETAILED NOTES ON THE 2010 DRAFT BUDGET

(a) Strategy

In November 2004 the Diocesan Synod adopted a new strategy for the diocese, 'The Diocese of Peterborough, A Diocese Inspired by God's Passion for the World'. This builds on the Bishop's pastoral letter Our Common Task, endorsed by the Synod in 1997. This budget takes account of the developing new strategy.

(b) Parish Share

A new parish share formula was introduced in January 2008. 2009 was to be the second of the two transitional years and so for 2010 the shares will fully reflect the new formula. This means that once again changes in shares (and they are now allocated to benefices rather than parishes) will vary significantly. In terms of income the budget has been set at £5.9 million, an increase of 3.5% on the 2009 figure (there having been no increase

in 2009.

(c) Inflation

Pay inflation of 2% has been assumed. There is no inflationary increase for non-pay elements.

(d) Adjustments

The gross cost of apportionment, the diocesan share of national church costs, increases by 2.4% to £502,705 in 2010. The diocesan allocation for ministry support for low-income dioceses from central church funds reduces from £215,658 in 2009 to £185,292 in 2010. In addition there is a further year on year loss of as the transitional support for the increasing costs of clergy pensions also reduces, in this case from £103,685 to £71,229.

(e) Investment Income

Investment Income continues to be a mixture of dividends, rental income and interest from money on deposit.

Budgeted levels have been set based upon the performance of previous years and anticipated levels of cash balances and

interest rates.

(f) Use of Other Funds

The Pastoral Account continues to be used to fund housing improvements and towards expenditure from the Diocesan Mission Fund. The total anticipated transfers for 2010 total are made up of £200,000 for housing improvements and £50,000 to the mission fund. Income for Parish Mission from the Church Commissioners (£73,300) will be transferred directly to the Mission Fund as well as income from the Staynor Hoos Trust Fund. It is anticipated that some income will be drawn from the award from the Archbishop's Council of £500,000 for the Church's Mission in New Housing and Other Development Areas over a three year period.

3 CLERGY

(a) Clergy Numbers

The national allocation of stipendiary clergy numbers (the total number of all stipendiary clergy working in the diocese, both in

parochial and central appointments) continues to reduce. Latest figures (May 2009) are 152 for 2009 and 2010, 148 for 2011 and then reducing to 143 in 2013 and 132 in 2018. The allocation of stipendiary deacons for 2010 is 6.

The policy of the diocese has been to remain close to its allocation but in the last two years this has not been achieved. The number dropped to 143 at the end of 2008 as a result of clergy movements, including retirements and it is expected that there will be a similar figure in post at the end of 2009. For 2010 the budget has been prepared on the basis of 114 parish priests and 16 curates. This compares to figures of 119 and 15 in 2009. The budget also includes the stipends of the two archdeacons. The stipends of the two Bishops, the Dean, the two Commissioner Canons and the Bishop's Administrator and Press Officer (who are included in the national allocation) are met by the Church

Commissioners.

(b) Clergy Stipends

The diocesan policy of positioning itself on the National Stipend Benchmark regionally adjusted continues. Stipends of £22,470 have been paid with effect from 1 April 2009 to those of incumbent status. This will be increased to £22,760 from 1 April 2010. The current stipend for curates is £20,230 (£20,430 from April 2010). The contribution rate for clergy pensions is increases from the current figure of 39.7% of the pensionable stipend to 45% from 1 January 2010

4 RESERVES

General cash reserves are used to provide the day to day funding required for the diocese to function, including the need to provide bridging finance for educational projects. The Board's policy is that available reserves should be a minimum of two twelfths of the annual budgeted expenditure (including schools capital work). For 2010 that is a figure of approximately £2 million.

The Board's Parish Finance Strategy is "To support all parishes in meeting the cost of all normal operating expenses for funds generated by regular tax-efficient giving, including the full payment of parish share by monthly instalments."

The Budget is prepared on the basis that parish share is paid in full.

PETERBOROUGH DIOCESAN BOARD OF FINANCE

BUDGET SUMMARY 2010

	2008 Out-turn	2009 Budget	2010 Position	2010 NEW	2011 Position
<u>INCOME</u>					
PARISH SHARE	5,370,106	5,700,000	5,900,000	5,900,000	6,018,000
FEES RECEIVED	278,490	260,000	265,000	280,000	285,600
GRANTS RECEIVED	389,386	400,000	410,000	390,000	397,800
DONATIONS	98,939	110,000	110,000	100,000	102,000
INVESTMENT INCOME	1,678,421	1,490,000	1,490,000	1,301,000	1,327,020
Sub Totals	7,815,342	7,960,000	8,175,000	7,971,000	8,130,420
OTHER INCOME	244,885	305,000	305,000	305,000	311,100
Sub Totals	8,060,227	8,265,000	8,480,000	8,276,000	8,441,520
EDUCATION (Capital)	5,919,431	3,000,000	3,000,000	1,000,000	1,500,000
		11,265,00			
TOTALS	13,979,658	0 11,480,000	9,276,000	9,941,520	
<u>EXPENDITURE</u>					
REMUNERATION -PARISH BASED	4,304,219	4,504,674	4,639,814	4,738,470	4,833,239
REMUNERATION -PARISH SUPPORT	1,076,680	1,130,026	1,200,630	1,173,561	1,197,032
CLERGY TRAINING	308,230	352,610	358,000	354,575	361,667
CLERGY HOUSING COSTS	1,048,982	1,077,155	1,109,469	1,075,687	1,097,201
Sub Totals	6,738,111	7,064,465	7,307,913	7,342,293	7,489,139
TRAVEL COSTS	76,254	83,601	83,362	77,000	78,540
OTHER COSTS	612,260	617,426	638,553	593,100	604,962
OVERHEADS	85,460	143,669	179,086	166,340	169,667
Sub Totals	7,512,085	7,909,161	8,208,914	8,178,733	8,342,308
LEGAL PAYMENTS	97,145	135,517	116,236	115,107	117,409
GRANTS MADE	145,101	189,999	223,450	220,000	224,400
PAYMENT TO NATIONAL CHURCH	268,759	350,000	350,000	300,000	306,000
Sub Totals	8,023,090	8,584,677	8,898,600	8,813,840	8,990,117
EDUCATION (Capital)	5,977,184	3,000,000	3,000,000	1,000,000	1,500,000
		11,584,67			
TOTALS	14,000,274	7 11,898,600	9,813,840	10,490,117	
BUDGET Surplus (Deficit)	-20,616	-319,677	-418,600	-537,840	-548,597
MISSION FUND		145,677	105,000	105,000	105,000
GOVERNMENT GRANT			40,000	40,000	40,000
DPA (CAPITAL)	185,077	174,000	150,000	200,000	200,000
REVENUE BUDGET RESULT	164,461	0	-123,600	-192,840	-203,597

(The 2011 Position shows a 2% growth over all headings)

**Peterborough Diocesan Board of Finance
 DRAFT BUDGET PROJECTION 2009-2011**

PETERBOROUGH DIOCESAN BOARD OF FINANCE
INCOME SUMMARY 2010

	2008 Out-turn	2009 Budget	2010 Position	2010 NEW	2011 Position
INCOME					
Receipts from Parishes	5,343,778	5,658,000	5,853,000	5,853,000	5,970,060
Dean & Chapter	14,412	30,000	35,000	35,000	35,700
Amounts received in respect of previous years	11,916	12,000	12,000	12,000	12,240
PARISH SHARE	5,370,106	5,700,000	5,900,000	5,900,000	6,018,000
FEES RECEIVED	278,490	260,000	265,000	280,000	285,600
Church Commissioners	342064	350,000	360,000	350,000	357,000
Government Support	47,322	50,000	50,000	40,000	40,800
GRANTS RECEIVED	389,386	400,000	410,000	390,000	397,800
DONATIONS	98,939	110,000	110,000	100,000	102,000
Dividends & Interest	1,013,129	735,000	735,000	631,000	643,620
Glebe Land & Property Rents	405,702	550,000	550,000	410,000	418,200
Clergy House Rents	259,590	205,000	205,000	260,000	265,200
INVESTMENT INCOME (Note 1)	1,678,421	1,490,000	1,490,000	1,301,000	1,327,020
Sub Totals	7,815,342	7,960,000	8,175,000	7,971,000	8,130,420
Parish Support	136,737	155,500	155,500	155,500	158,610
DBE Support	52,093	84,000	84,000	84,000	85,680
Administration Support	56,056	65,500	65,500	65,500	66,810
INCOME GENERATED FROM ACTIVITIES	244,886	305,000	305,000	305,000	311,100
Sub Totals	8,060,228	8,265,000	8,480,000	8,276,000	8,441,520
EDUCATION (Capital Receipts)	5,919,431	3,000,000	3,000,000	1,000,000	1,500,000
TOTALS	13,979,659	11,265,000	11,480,000	9,276,000	9,941,520

<u>PETERBOROUGH DIOCESAN BOARD OF FINANCE</u>		<u>EXPENDITURE SUMMARY</u>			
		<u>Budget - 2010</u>			
	2008	2009	2010	2010	2011
	Out-turn	Budget	Position	NEW	Position
Archdeacons	59,912	61,785	63,639	63,020	64,280
Stipends (Priests & Curates)	2,904,845	2,947,387	3,035,807	2,930,597	2,989,209
Pension	1,047,207	1,151,062	1,185,594	1,346,197	1,373,121
National Insurance Contributions (NIC)	174,517	251,290	258,829	303,642	309,715
Removal Grants	54,100	46,575	47,972	47,507	48,457
First Appointment Grants	33,320	15,525	15,991	15,836	16,153
Sequestration Payments	30,318	31,050	31,982	31,671	32,304
REMUNERATION -PARISH BASED	4,304,219	4,504,674	4,639,814	4,738,470	4,833,239
Parish Support (Stipends & Salaries)	542,906	570,728	605,406	591,757	603,592
DBE Support (Salaries)	173,022	181,594	192,940	188,590	192,362
Administration Support (P'boro,BC+ Archdeacons)	360,752	378,628	402,284	393,214	401,078
REMUNERATION -PARISH SUPPORT (Note 1)	1,076,680	1,130,950	1,200,630	1,173,561	1,197,032
Payments to National Church	175,355	198,035	200,000	200,000	204,000
Ordination Candidates Fund (OCF) Grants	92,823	115,000	115,000	115,000	117,300
Removal Grants	3,767	3,000	3,000	3,000	3,060
Ordination Service	0	1,000	1,000	1,000	1,020
Ordination Retreats	5,500	3,000	3,000	3,000	3,060
Life Assurance	1,621	2,000	2,000	2,000	2,040
Continuing Ministerial Education (CME)	29,164	30,575	34,000	30,575	31,187
CLERGY TRAINING	308,230	352,610	358,000	354,575	361,667
Maintenance of Properties	441,578	348,600	388,277	348,600	355,572
Vacancy Costs	30,742	84,456	86,990	84,456	86,145
Council Tax	275,266	312,984	322,374	312,984	319,244
Water Rates	67,020	72,657	74,837	72,657	74,110
Insurance	20,390	23,225	23,922	23,922	24,400
Planned Improvements to Properties	185,077	174,000	150,000	200,000	204,000
Rent/Housing Allowance	28,909	61,231	63,068	33,068	33,729
CLERGY HOUSING COSTS	1,048,982	1,077,153	1,109,468	1,075,687	1,097,201
Sub Totals	6,738,111	7,065,387	7,307,912	7,342,293	7,489,139
TRAVEL COSTS	76,254	77,000	83,362	77,000	78,540

<u>PETERBOROUGH DIOCESAN BOARD OF FINANCE</u>	<u>EXPENDITURE SUMMARY</u>				
	<u>Budget - 2010</u>				
Meeting Costs	13,420	13,000	13,996	13,000	13,260
Hospitality	5,162	5,000	5,383	5,000	5,100
Subscriptions	1,032	1,000	1,077	1,000	1,020
Training & Conferences	24,775	24,000	25,838	24,000	24,480
Recruitment Costs	723	700	754	700	714
Professional Charges	190,976	185,000	199,171	185,000	188,700
Other Expenses	144,367	139,850	150,563	139,850	142,647
Books & Publications	25,808	25,000	26,915	25,000	25,500
Stationary & Postage	48,157	46,650	50,223	46,650	47,583
Telephone Charges	28,904	28,000	30,145	28,000	28,560
Photocopying	40,260	39,000	41,987	39,000	39,780
Computers Including Depreciation	66,377	64,300	69,225	64,300	65,586
Fixtures & Fittings	2,890	2,800	3,014	2,800	2,856
Events & Equipment	19,410	18,800	20,262	18,800	19,176
OTHER RESOURCING COSTS	612,260	593,100	638,553	593,100	604,962
Light /Heat/Refuse	35,182	47,000	48,410	47,000	47,940
Insurance	6,946	9,340	9,620	9,340	9,527
Repairs	11,846	6,500	6,695	6,500	6,630
Rares & Rents	18,196	27,500	28,325	27,500	28,050
Legal & Professional	7,541	76,000	78,280	76,000	77,520
Other	5,749				
OVERHEADS	85,460	166,340	171,330	166,340	169,667
Sub Totals	7,512,085	7,901,827	8,201,157	8,178,733	8,342,308
Faculty Costs	47,285	44,000	45,320	44,880	45,778
Chancellor	7,520	10,000	10,300	10,200	10,404
Registrar	18,714	30,000	30,900	30,600	31,212
Audit Fees & Committee Costs	17,103	20,000	20,600	20,400	20,808
Bank Borrowing Costs	206	500	515	510	520
Legal Retainers	6,317	7,850	8,086	8,007	8,167
Redundant Churches		500	515	510	520
LEGAL PAYMENTS	97,145	112,850	116,236	115,107	117,409
GRANTS MADE	145,101	220,000	223,450	220,000	224,400
PAYMENT TO NATIONAL CHURCH	268,759	350,000	350,000	300,000	306,000
Sub Totals	8,023,090	8,584,677	8,890,843	8,813,840	8,990,117
EDUCATION (Capital)	5,977,184	3,000,000	3,000,000	1,000,000	1,500,000
TOTALS	14,000,27	11,584,67	11,890,843	9,813,840	10,490,117
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