



Diocese of Guildford

# 2012 Budget and Parish Share

Diocesan Synod, November 5<sup>th</sup> 2011

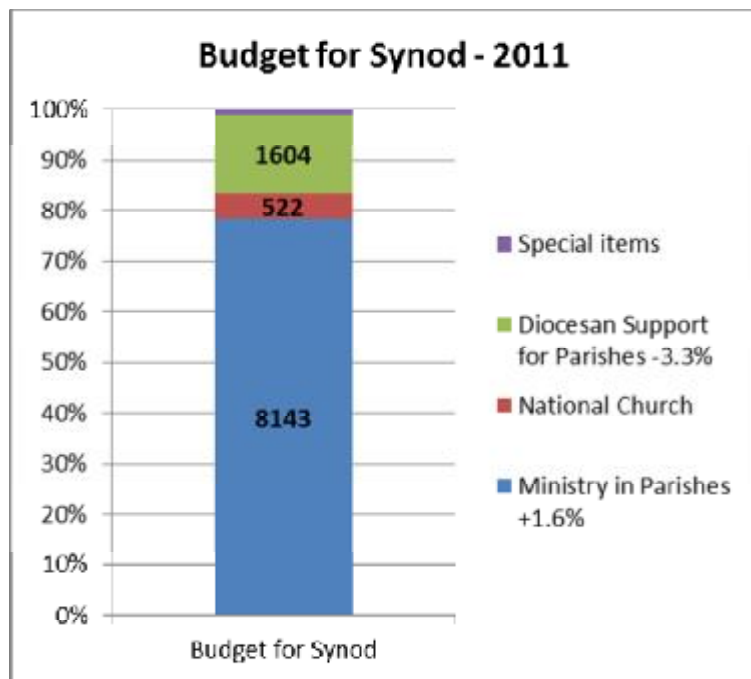
# Agenda

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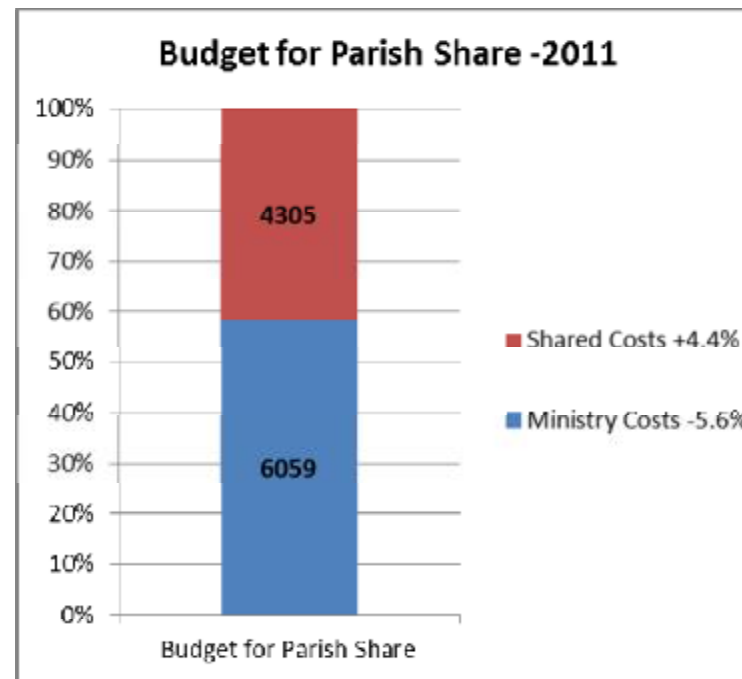
- ▶ Changes to Budget and Parish Share presentation and process
- ▶ Budget 2012
- ▶ Parish Share 2012
- ▶ Continuing work

# In previous years, we have used 2 different formats for the budget

£ 000



Approved in November



Sent to parishes in December

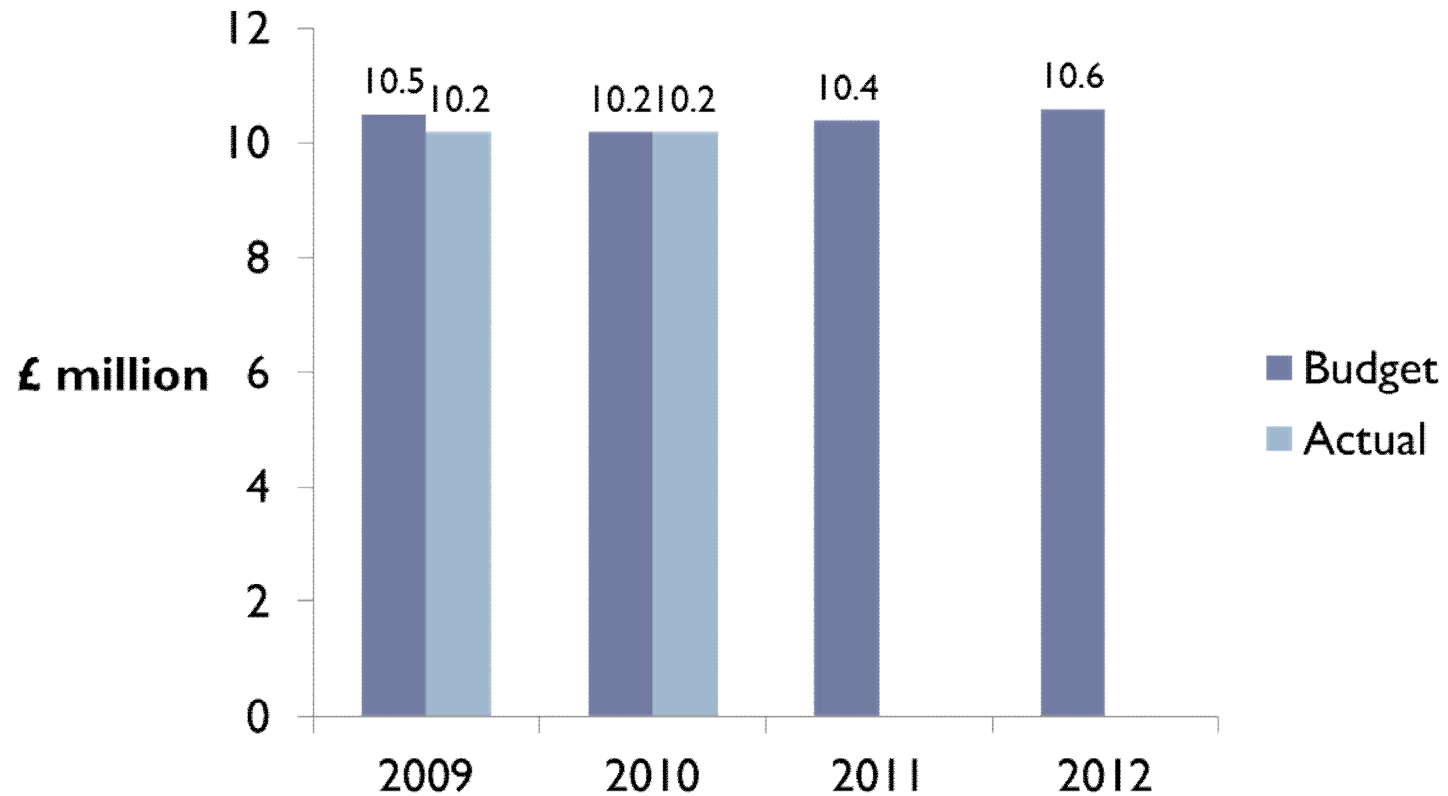
From this year (2012 budget), we will present using the 'parish share' format

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▶ **WHY MAKE THIS CHANGE?**

- ▶ Makes it clearer to us all which costs are considered in the Ministry Contribution, and which are considered Shared Costs
- ▶ Enables us to calculate and communicate provisional parish shares in September and anticipate issues before seeking Synod approval in November
  - ▶ Following parish consultations
  - ▶ Following Bishop's Council review and approval

# Guildford Diocesan net cost trend



Over this 4 year period CPI inflation = 12-13%

Over this 4 year period RPI inflation = 15-16%

Guildford DBF spending will have reduced by 10% in real terms

# Recap from June Synod

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- ▶ Provision for stipend / salary increases of 3%, whilst maintaining overall increase around 2%
- ▶ Number of diocesan employees

	People	FTEs	Funded from Parish Share
2011	56	41.5	40.3
2012	57	42.4	39.5

- ▶ Insurance policies – clergy housing

# Current outlook and proposed budget

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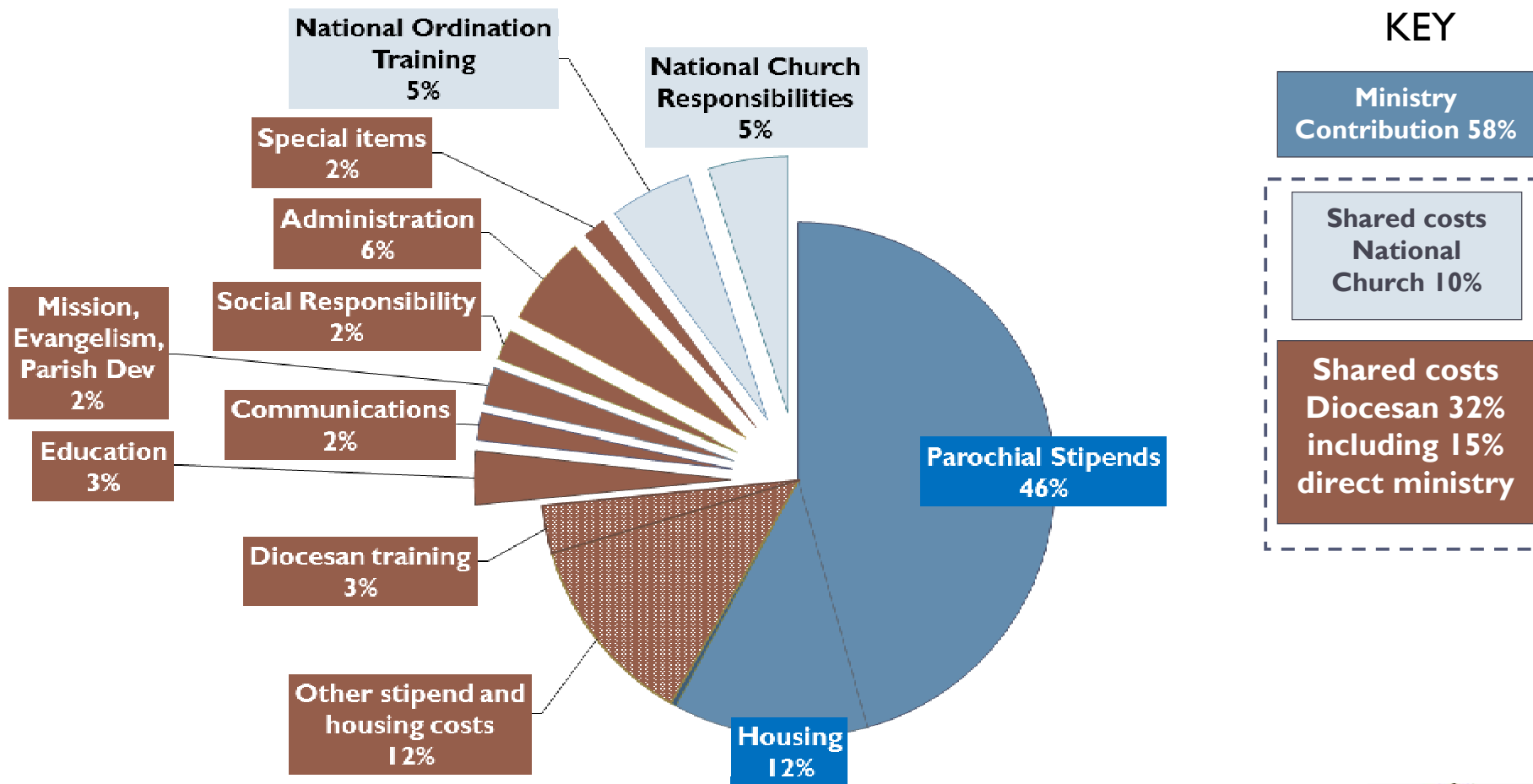
## ▶ September 2011

- ▶ CPI inflation = +5.2%
- ▶ RPI inflation = +5.6%
- ▶ Average earnings = +2%

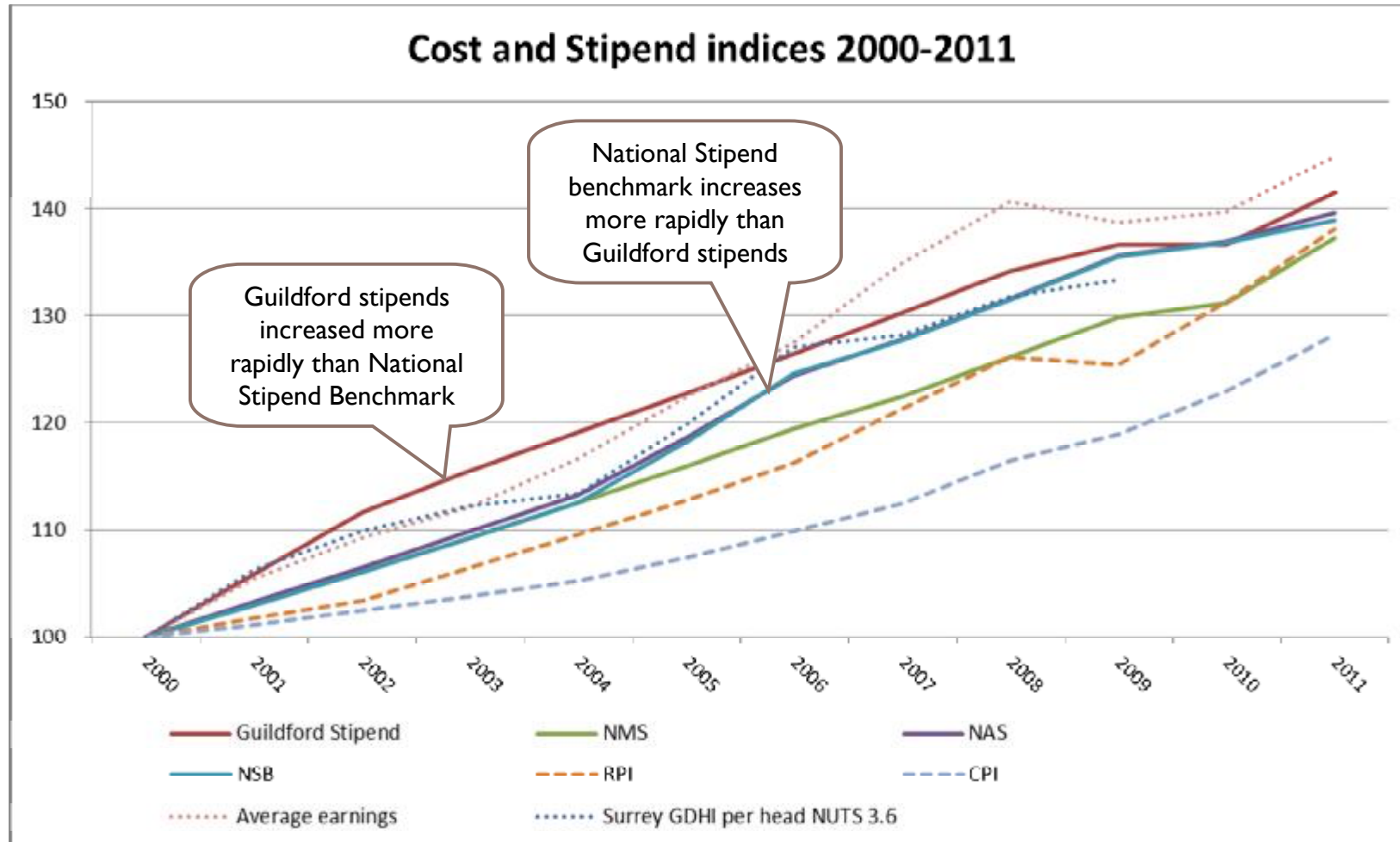
## ▶ Budget 2012

- ▶ Stipend (April 2012) and salary (Jan 2012) increases at +3%
- ▶ Housing costs inflated at +3%
- ▶ Vacancy rate = 9 (no change vs 2011)

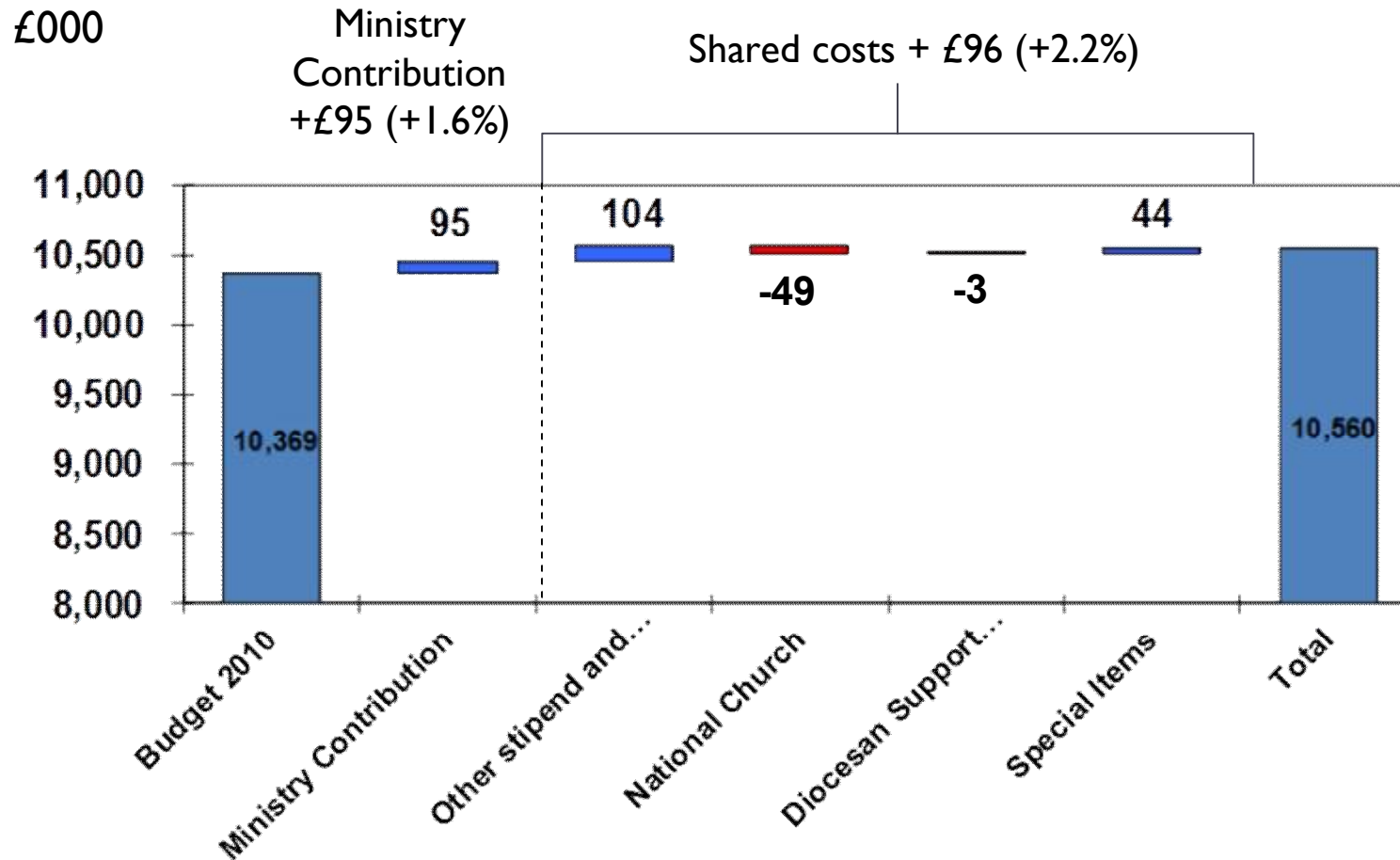
# Net cost breakdown Budget 2012



Our long-term stipend policy has been to maintain increases between RPI and average earnings



Overall budget increase is 1.9%. Increase in Diocesan costs is mitigated by lower National Church costs



# Summary and risks

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## SUMMARY

- ▶ Overall budget increase of 1.9% against a backdrop of 4-5% inflation
- ▶ 3% stipends and salary increases

## RISKS

- ▶ Parish share income
- ▶ Higher than expected housing cost inflation
- ▶ Additional funding for Staff Pension Scheme



Diocese of Guildford

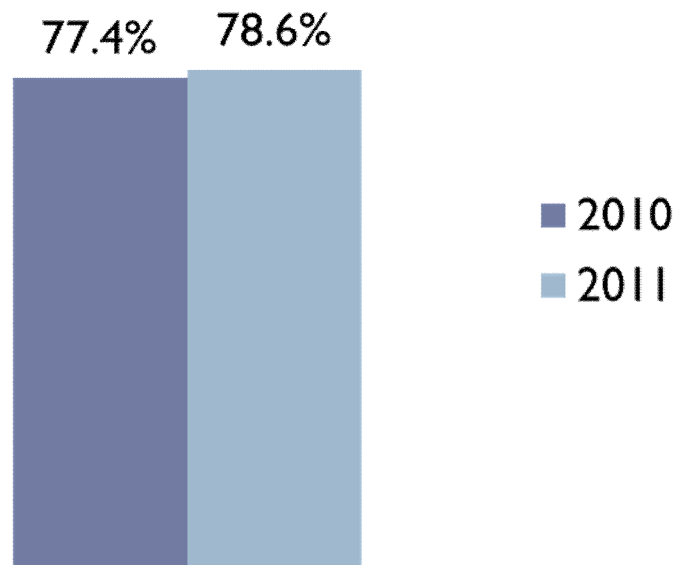
# 2012 Parish Share

Diocesan Synod, November 5<sup>th</sup> 2011

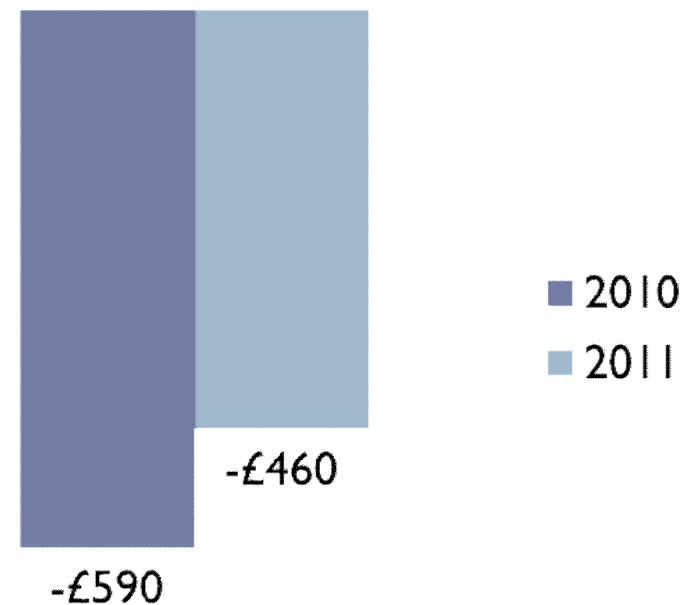
# Parish share receipts for 2011 are marginally up on 2010 to end October

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**% received YTD end October**



**Parish Share Shortfall  
£ 000**



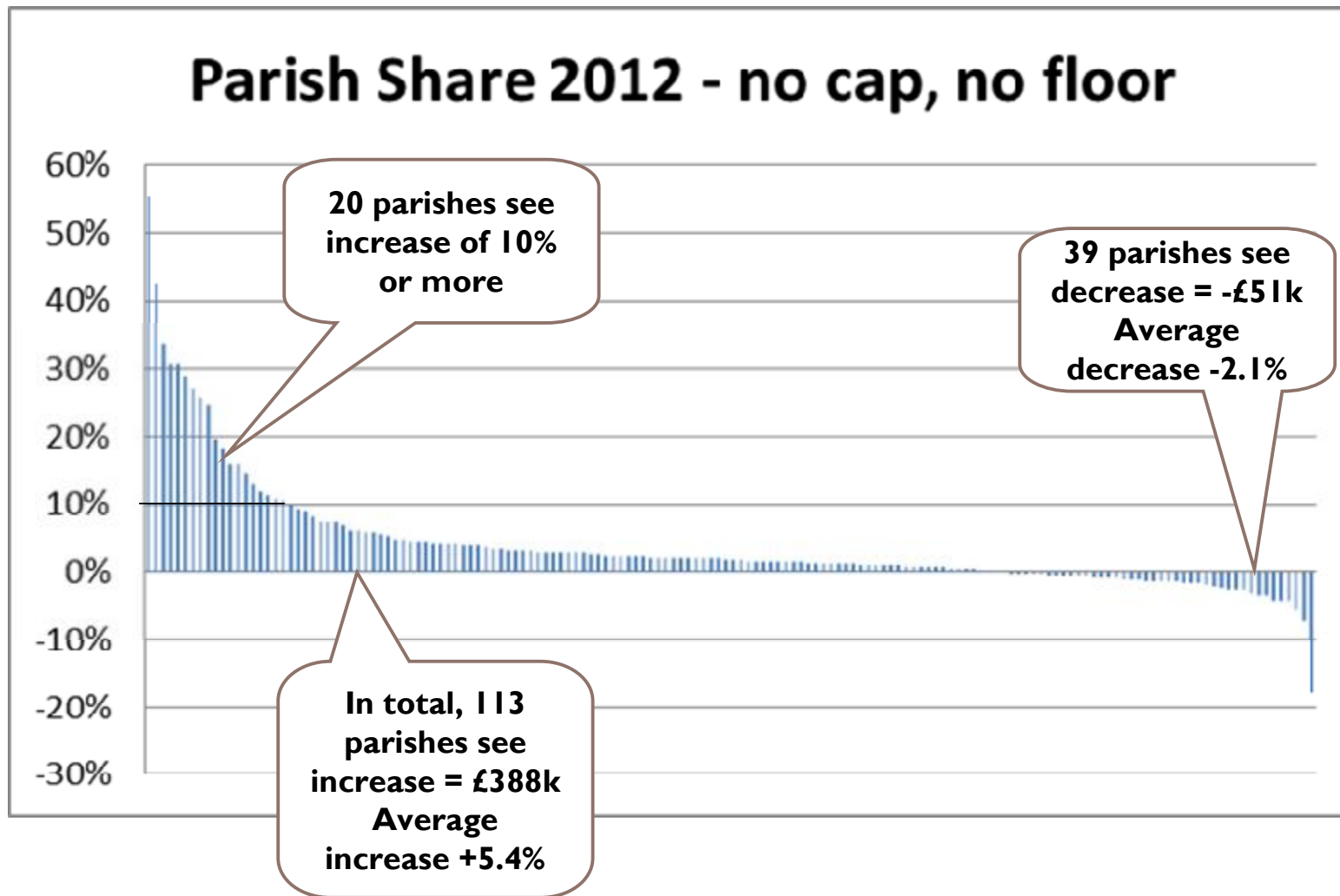
Percentage paid by standing order stable at around 86%

# Recap – how parish share is calculated

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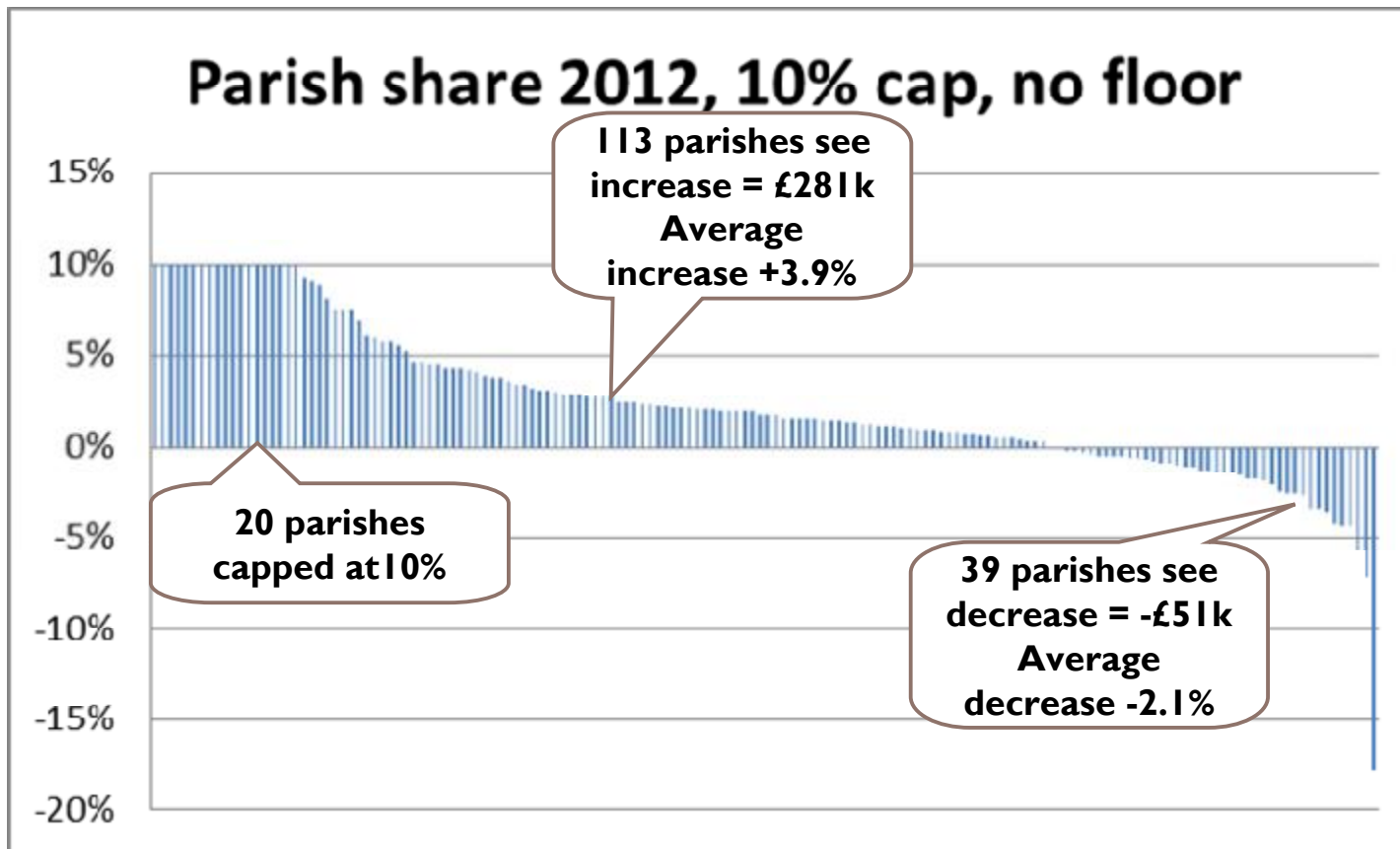
- ▶ Nationally there appear to be as many ways of calculating parish share as there are dioceses!
- ▶ Guildford's system is similar in approach to a number of other dioceses
- ▶ 3-year average of Sunday attendance
  - ▶ Changed from weekly attendance for 2011 share calculation
- ▶ Relative prosperity factor
  - ▶ Based on council tax banding of households on electoral roll
  - ▶ Updated for 2011 share
- ▶ Relative prosperity factors have limited impact
- ▶ Attendance numbers have a significant impact
- ▶ Growing parishes pay more
- ▶ Shrinking parishes pay less

# Without a cap, parish share calculations 2012



We have had a practice of ‘capping increases at 10%

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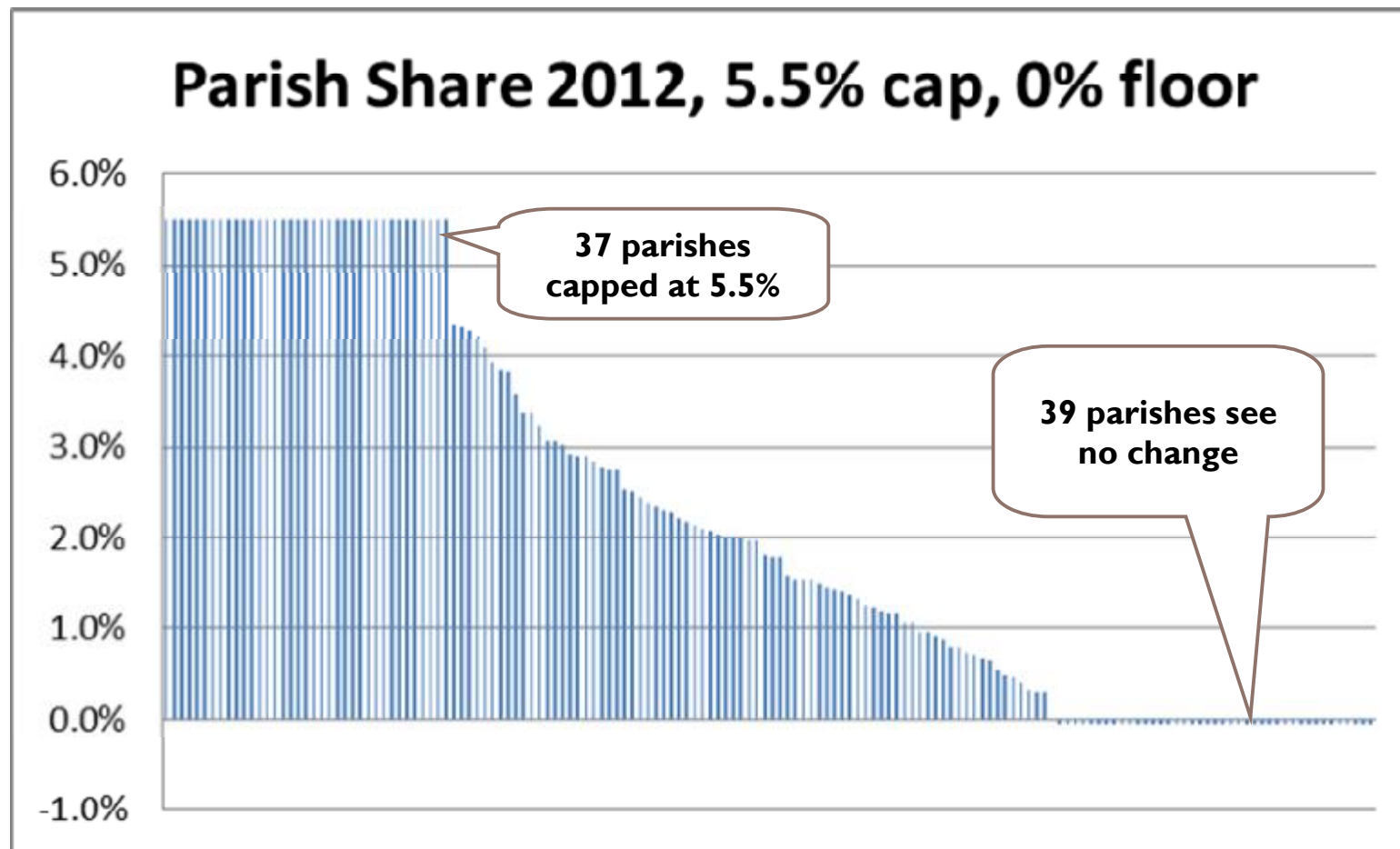
# Issues with 10% cap and no floor

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- ▶ 10% increase is a tough target in current economic environment.
  - ▶ On average = > £5,000 a year increase for parishes affected
  - ▶ A number of parishes face increases of 10% two years in succession
  - ▶ Membership increases take a while to translate into increased committed giving
- ▶ Decreases to shrinking parishes are quite modest = £1,300 on average
- ▶ Diocesan statement of common purpose emphasises growth – but parish share system is not really aligned with this

# Proposal for 2012 maintains same total income as 10% cap

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# Summary of proposal

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- ▶ For 2012, cap increases in total parish share at 5.5%
- ▶ No decreases
  - ▶ BUT 0% increase = 4-5% decline in real terms
  
- ▶ ISSUES
  - ▶ Why is 2011 actual share the correct base?
  - ▶ What happens in 2013?

# Diocesan Mod-Term Strategy - Update

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## ▶ **CLERGY DEPLOYMENT**

- ▶ Workforce planning
  - ▶ Paper to Appointments Nov 23<sup>rd</sup>
  - ▶ Training pathways under review
    - ▶ External funding changes
    - ▶ Growth agenda
  - ▶ New vocations materials being rolled out

## ▶ **STRUGGLING CONGREGATIONS**

- ▶ Struggling congregations / Growth
  - ▶ 'Toronto' style parish classification – work starting this month

## ▶ **YOUNG PEOPLE**

## ▶ **COMMUNITY ENGAGEMENT**

- ▶ DSR business plan for growth



THANK YOU

# Backup – active chart

£000

