

Esgobaeth Llanelwy Diocese of St Asaph



Bwrdd Cyllid yr Esgobaeth The Diocesan Board of Finance

Cyllideb 2022
Budget 2022



DIOCESE OF ST ASAPH

Income and Expenditure BUDGET 2022

Budget 2021

Income	£	£	£	£
Mission Area Share no change	3,419,415		3,419,415	
Less Average 4% and 2% Discount (Average Discount 3.9%)	-133,699		-132,673	
		3,285,716		3,286,742
RB Block Grant		356,116		1,041,278
Dividends	100,000		100,000	
Bank Interest	300		200	
Legacies	0		0	
Clerical Education Donations	6,000		6,000	
Education Trust Administration Contribution	15,657		15,350	
Parsonage Board Administration Contribution	41,820		41,000	
Wrexham Educational Foundation Contribution	47,396		46,466	
Net Rental Income from Let Properties	160,000		160,000	
Coronavirus Emergency Funding from RB	0		0	
Surplus from 2020 to cover MAA Grants	0		70,900	
Miscellaneous Income	11,000		11,100	
		382,173		451,016
Total Income		4,024,005		4,779,036
Expenditure	£	£	£	£
3 Vacancies Assumed:				
Stipends, Pensions etc (2% Stipend increase; Pension funded by RB)	2,528,566		3,314,669	
Housing Maintenance	410,479		404,055	
Sub Total Clergy Costs		2,939,045		3,718,724
Nurturing	159,948		163,365	
Developing	96,010		87,542	
Engaging	49,385		48,700	
Funding and Mission Area Support	6,500		7,000	
Safeguarding	1,000		700	
Communication	40,000		37,000	
Diocesan Board of Finance	79,566		83,415	
Diocesan Advisory Committee (Faculties)	2,000		3,300	
Cathedral	68,952		67,600	
Church Inspection	13,000		16,500	
Rural Ministry and Strategy	10,000		10,000	
Churches Emergency Aid Fund	16,666		16,666	
Grants, Donations, Includes MAA grants	84,150		84,150	
Mission Hubs	73,780		0	
Coronavirus Emergency Support Funding	0		0	
Coronavirus Emergency Grant	0		0	
Bishop's Discretionary	9,384		9,200	
Diocesan Board of Finance Member's Expenses	750		1,150	
Governing Body Meeting Expenses	10,000		6,250	
Widows Orphans and Dependants	15,000		0	
Stockbroker Fees	15,000		0	
Registrar's Costs	27,185		26,652	
Depreciation	43,852		24,330	
Salary Costs	358,283		358,880	
Sub Total		1,180,410		1,052,399
Total Expenditure		4,119,454		4,771,123
Budget Surplus/(Deficit) For The Year		-95,449		7,913

DIOCESE OF ST ASAPH

Notes to the Income and Expenditure BUDGET 2022

- 1 There are three options presented to the Board for their deliberations. To hold the overall share level at 2019 and 2020 level. To decrease share by 1%. To decrease share by 2%.
- 2 The Mission Area share discount scheme based on full payment of share remains in place, but is increased from 3.8% to 3.9% to reflect the increase in take up of this rebate.
- 3 The RB Block grant is reduced in line with the RB announcement in 2020. The RB are taking payment of the clergy pensions and have reduced the block grant by a corresponding amount.
- 4 The Property Board continues their good management of the property portfolio, enabling the DBF to make use of a further £160,000 surplus as income.
- 5 Although the clergy stipend has been increased by the RB by 2% in 2022, the overall figure is reduced due to the RB making the pension contribution payments (see note 3). The figure also reflects current clergy numbers and an assumption of 3 vacancies across the 12 months. The proposed increase to Employers NIC rate during 2022 is included.
- 6 The Developing budget has increased to include the costs of clergy recruitment (previously this was included in clergy ministry costs).
- 7 The safeguarding budget has been increased in light of announcements by the RB of an increase in central staffing. This is an approximate figure as the RB has made no announcement how this will be charged out.
- 8 The draft budget for Mission Area hubs was circulated at the May 2021 DBF Meeting and this line reflects the new money required for 2022.
- 9 Governing Body expenses were under budgeted in 2020 and the increase shown here reflects this.
- 10 An increase in the grants payable necessitates the reintroduction of the DBF contribution to meet the agreed deminimus level of the WODs fund.
- 11 The stock-broker fees have in the past been netted off against investment income and not shown as a separate expense. The auditor have asked us to redress this in the current year accounts.

- 12 The increase in depreciation reflects the addition of Hope Street as a fixed asset and is depreciated in the accounts in line with other assets of the same class.

- 13 As in previous years the DBF staff salaries are increasing in line with the clergy stipend increase. The reduction shown here is due to the ongoing secondment of the Churches Conservation and Development Officer to the RB. The proposed increase to Employers NIC rate during 2022 is included.

REPORT TO DIOCESAN CONFERENCE 2021

BUDGET 2022

1. There is a requirement on the Board of Finance to draw up and agree a budget and recommend it for acceptance to the Diocesan Standing Committee, after which it must be received at the Diocesan Conference.
2. The Board is clear that strategic financial planning is essential to ensure the future health and growth of our diocese, particularly as we start to emerge from the pandemic and the restrictions of lockdown. The Budget for 2022 is an important next step in our 5-year financial strategy to reconstruct our church and to resource mission and ministry in a way that is sustainable and builds the Kingdom of God.
3. The events of 2021 have continued to be extremely challenging and the Board wants to thank everyone who has worked so hard and given extremely generously, often in new ways, in response to the global coronavirus pandemic. We are indebted to the Representative Body of the Church in Wales for the further emergency funding of £1.1m that was provided and that has proved to be a lifeline for our churches and Mission Areas at a critical time.
4. The Budget for 2022 shows a budgeted deficit of £95,449 (in 2021, we have a budgeted surplus of £7,913). The Diocesan Board of Finance has considered this proposal carefully and recommends it to the Standing Committee for the following reasons:
 - The Board believes that as a charity, our purpose is to invest in mission and ministry. The DBF reported a surplus on operations in 2020 and so the Board have budgeted for a deficit in 2022 that reflects our financial commitment to the reconstruction of church post-pandemic. We must hold fast in faith and be the church that God is calling us to be.
 - The Board recognises that the current economic climate remains volatile and uncertain and is keenly aware of the financial pressures on our churches. It has therefore decided there will be no increase in the total level of Mission Area Share requested in 2022.
 - There will however be a 2% increase in clergy stipends, lay salaries and the contribution that the diocese makes to clergy housing costs in 2022. The contribution that we were previously required to make to the Clergy Pension Scheme has now been removed from the diocesan budget as the RB is now paying the cost of clergy pensions. However, this has been offset by a reduction in the Block Grant by a corresponding amount.



- The Diocesan Property Board and the Diocesan Inspector carefully manage a portfolio of former parsonages that are not required for occupation by a cleric. Despite the considerable challenges of the rental market at present, this delivers a very useful source of income of approximately £160,000 per annum.
5. The proposed budget shows a required Mission Area Share for 2022 that totals £3,419,415. The Board will continue the successful Mission Area Share Discount Scheme and will maintain the discount offered at the current level.
 6. Mission Area Finance is now established across the diocese and all our Mission Areas now have consolidated financial accounts and essential management information that allows them to plan for their future effectively. This has been a significant benefit in managing the challenges of 2020 and 2021 and the Board is extremely grateful for the hard work of all our Church and Mission Area Treasurers.
 7. Our Mission Areas and churches continue to work hard to encourage as many people as possible to switch to online giving: this is the single most helpful thing we can all do to help the financial sustainability of our local church. The Gift Direct Scheme is strongly endorsed and recommended by the Board. Contactless giving terminals are now in place in some of our churches and we will continue to embrace the advantages of new technology wherever appropriate.
 8. The Diocese of St Asaph receives an annual block grant from the Representative Body of the Church in Wales. In 2022 this will amount to £356,116, which is significantly lower than in 2021, due to the removal of the clergy pension element as explained earlier.
 9. We have budgeted for 63.5 stipendiary clergy and 8 stipendiary training curates. We have also assumed that there will be 3 clergy vacancies at any given time. The Bishop will continue to try to fill any clerical vacancy promptly after due consultation with the Mission Areas.
 10. The Budget for 2022 was agreed by the Board of Finance on 14 September 2021. It is now presented to the Standing Committee of the Diocesan Conference on 28 September 2021 and, if approved, will be presented to be received formally by the full Diocesan Conference on 09 October 2021.

Mrs Helen Jones
Chair of the Diocesan Board of Finance

