



ely2025

Ely2025
Programme 2018-20
and
Budget Guide 2018

Explanatory Notes

October 2017

People Fully Alive : Ely2025

Foreword from Bishop David

I am delighted to be able to introduce this year's Budget Guide, as we wish Bishop Stephen well on his Extended Study Leave before welcoming him back refreshed in September.

I have had a personal hand in the preparation of the Budget, chairing a group that has given very careful scrutiny to the spending bids from our Mission and Ministry departments in particular. Every line has been justified, with reference both to results already achieved and expected outcome, and I can commend them to you wholeheartedly. It is particularly good to record the spirit of co-operation rather than competition that marked the process, symbolised by the fact the departments and their directors now share offices.

All this expenditure, and the Budget, is shaped by our Ely2025 Diocesan Strategy. This powerful tool is bringing direction and purpose to the wide variety of people and groups which make up any diocese. The current iteration of the Implementation Programme of the strategy can be found on page 5 of this Guide.

When I asked Diocesan Synod to indicate on which of the five levers of change we should focus right now, the response was nearly unanimous: Nurturing a Confident People of God. It is therefore with confidence that we can focus on this at the moment; and as we look forward and continue to expand our work on discipleship - the new *Growing as a Disciple* groups have been a particularly successful - we look forward to the launch of our Diocesan *Way of Life*, under Archdeacon Alex's guidance, as a lodestar for our following of Christ, individual and corporate. *Dwelling in the Word* has become a feature of our common life in a remarkable way. And this reminds us that all our strategizing is simply a means to an end: the coming of the Kingdom for which we pray every day, and with it the full flourishing of all people in a just, godly and even joyful society.

I am deeply grateful to you all for the generosity in giving that has allowed this Budget to take the shape it has. Few other dioceses have anything like our success in gathering in the full share requested (over 98% this last year). And, of course, much more is raised and given locally as well. *Giving for Life* remains on our agenda this year, as we constantly seek to live more fully in the Spirit of our Generous God: there is still much more we could, and should, be doing if we and our communities are to be People Fully Alive in Christ.

A big thankyou too to the officers and committees who have ensured good governance and management of our finances. The sterling (!) record of our outgoing Chair of the Board of Finance, Sir Hugh Duberly, cannot escape a mention by name. A particular joy for him, I know, was seeing his long-planned land sales for new housing areas come to fruition,

bringing in some substantial sums, which are being carefully invested to fund ministry in those very areas into the future.

Alongside this Budget sits the Ely2025 Growth Fund, which is the fruit of savings and carefully invested giving from the past. We are now using it to fund an exciting range of Diocesan projects each with growth in mind, saving any charge on parish share.

That share will rise by 3% this coming year - as agreed when we drew up our three year Budget projection. 2% is the increase in ministerial stipends agreed nationally to cover inflation, leaving 1% to invest in the growing mission and ministry work. Central office costs are being kept at previous levels with no increase this year.

This is a confident Budget for Growth, and I am confident that we will all rise to the challenge (which the new Parish Giving Scheme and upcoming help with legacies and other forms of giving will make a little easier to meet). So thank you for your generosity, both in the past and in the year to come, and to wish you God Speed in all your endeavours as together we pray to be People Fully Alive in our Lord Jesus Christ.

+ David



INTRODUCTION BY Revd Canon Brian Atling ACIB, FIMtg, DipTheo, Cert Theo, MA

Just over eighteen months ago, The Diocese of Ely launched its ten year strategy for growth. As you will see from these explanatory notes, our work on the implementation of the Strategy is progressing well. In doing so, we have been supported by the enormous generosity of our parishes and people in the development of Ministry and Mission. In 2016 you again raised over 98% of the Ministry Share request.

The 2017 Budget Guide and Explanatory Notes contains both the proposed budget for 2018 and a forecast of our spending plans for the three years rolling programme (2018-2020). The proposal for 2018 - subject to scrutiny and approval by the Bishop's Council and Diocesan Synod - keeps the increase at the 3% cap agreed in 2016 (2% to cover expected inflation and 1% for development of Ministry and Mission).

We are also helped by the receipts from several land sales that completed in 2017. These funds will be carefully invested and will allow us to deploy clergy (or licensed lay ministers) in new communities in order to establish new worshipping communities without drawing on Ministry Share.

I took over as Chair of the Finance Committee from Sir Hugh Duberly in February 2017. We have much to thank Sir Hugh for, not least over twenty years' service in steering the Diocese's finance with care and precision. I know you will wish to join me in sincerely thanking him.

Though Ely2025 implementation is underway, there remains much to be done to realise our shared vision of growth and renewal. I look forward to working with the Diocesan Team in the coming years

Revd Canon Brian Atling
Chair, Finance Committee
Ely Diocesan Board of Finance

Ely Diocesan Vision

We pray to be generous and visible people of Jesus Christ.

Believing that God calls us to discover together his transforming presence in our lives and in every community, in Jesus Christ we pray:

To engage fully and courageously with the needs of our communities, locally and globally

To grow God's church by finding disciples and nurturing leaders

To deepen our commitment to God through word, worship and prayer

Ely2025: Levers of Change

- Lever 1 NURTURE a confident people of God
- Lever 2 DEVELOP healthy churches and leaders
- Lever 3 SERVE the community
- Lever 4 RE-IMAGINE our buildings
- Lever 5 TARGET support to key areas

*People Fully Alive : Ely2025
A strategy for growth (September 2015)*

People Fully Alive : Ely2025 Programme 2018-20 : Budget 2018

Key Points

- **Ministry share** covers 100% of direct clergy costs for existing clergy and curates. Investment income covers the cost of new clergy posts and 100% of the local support costs.
- **Overall ministry share increase of 3%**. 2.0% is to offset the 2018 stipendiary inflation increase, the remainder funds new activity approved by the Bishop's Council, for Ministry and Mission programmes to continue the implementation of Ely2025.

People Fully Alive: Ely2025 has given direction and purpose for our decision making.

In 2016/17 we appointed

- Rob Taylor to develop whole Life Vocations (Lever 2)
- Mike Booker to lead on the work in our Market Towns (Lever 5)
- Olivia Coles to head up the work with young families who seek baptism (Baptism Plus) (Lever 2)

In 2017 we have been working on

- *The Way of Life*
- Initiating a new qualification with Ridley Hall for those working with children
- Introducing the new Pioneer Partners (intern) scheme
- The appointment of a Deputy Director of Ministry whose role will be to respond to the overwhelming response to the Strategy consultation in 2015: "we would like more training".
- All parishes producing a Development Action Plan focussing particularly on Lever 1 - Nurturing a Confident People of God.
- *All Loves Excelling* - the first Lent Series based on Ely2025
- Deanery Tours by the Directors of Mission and Ministry
- The first phase of Generous Giving (Lever 2)

In 2018 the following work streams will dominate our thinking

- The Buildings Audit and business potential survey, working with The Judge Business School
- A deployment strategy in the face of an anticipated reduction in the number of clergy by 40%
- A second Lent course
- The roll out across the diocese of Generous Giving
- The Archdeacons' second round of Deanery visits focussing on *The Way of Life* and *Reimagining Ministry in 2020*.

These activities can be funded through the redeployment of existing resources and by a 1% increase in Ministry Share (£72k). This level of increase was planned for the first three years of the implementation of Ely2025, subject to regular scrutiny by the Bishop's Council and Diocesan Synod. In 2016 the Diocese of Ely raised over 98% of the amount requested for Ministry Share.

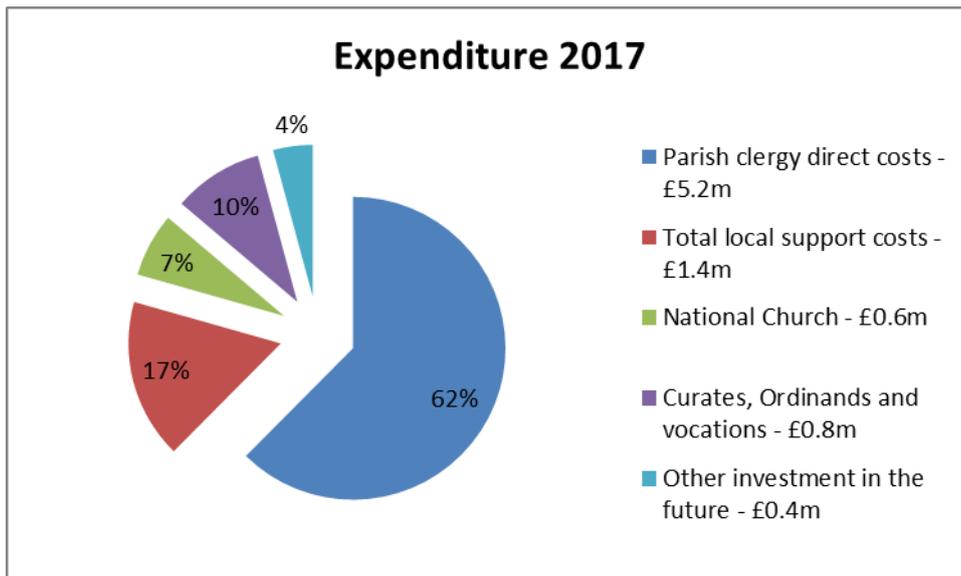
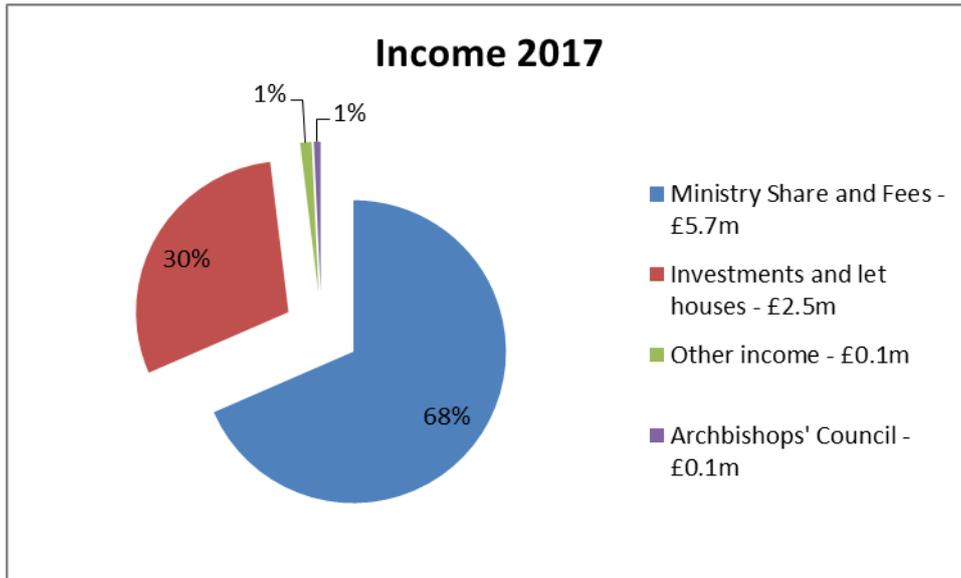
| EDBF BUDGETS - 2018 to 2020 | | | | | | |
|---------------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| 3% parish share increase | | | | | | |
| | 2018 | Increase | 2019 | Increase | 2020 | Increase |
| | Budget | for 2018 | Forecast | for 2019 | Forecast | for 2020 |
| | | % | | % | | % |
| EXPENDITURE | | % | | % | | % |
| Clergy stipends | 3,877,181 | 2% | 3,950,268 | 2% | 4,024,472 | 2% |
| Clergy stipends - new posts | 188,012 | 3 posts | 268,175 | 2 posts | 351,291 | 2 posts |
| Clergy stipends - Diocesan posts | 75,205 | 2% | 76,621 | 2% | 78,065 | 2% |
| Curates exc. housing | 537,058 | 0.8% | 547,144 | 1.3% | 557,418 | 1.3% |
| Curates housing | 150,000 | | 150,000 | | 150,000 | |
| Housing exc. Curates | 1,121,434 | 2% | 1,143,862 | 2% | 1,166,739 | 2% |
| Clergy other | 172,500 | | 172,500 | | 172,500 | |
| | 6,121,390 | | 6,308,571 | | 6,500,486 | |
| Archdeacon (C) | 71,539 | 2% | 72,969 | 2% | 74,429 | 2% |
| Archdeacon (H) | 74,370 | 2% | 75,858 | 2% | 77,375 | 2% |
| Ministry | 268,556 | 5.7% | 338,103 | 25.9% | 348,246 | 3% |
| DDO and Vocations | 48,713 | 38.1% | 70,935 | 3% + 0.5 post | 73,063 | 3% |
| Safeguarding | 123,597 | 41.4% | 124,833 | 1% | 126,082 | 1% |
| Legal and DAC costs | 126,521 | 0.0% | 130,317 | 3% | 134,226 | 3% |
| Comms/IT/Office running costs | 326,212 | -11.7% | 326,212 | 0% | 326,212 | 0% |
| Admin salaries | 459,475 | 4.3% | 466,367 | 1.5% | 473,362 | 1.5% |
| National Church | 589,954 | 3.5% | 610,603 | 3.5% | 631,974 | 3.5% |
| Ordinands Grants/RME | 99,980 | 17.6% | 99,980 | 0% | 99,980 | 0% |
| Mission | 373,065 | 6.6% | 441,976 | 18.5% | 455,235 | 3% |
| TOTAL EXPENDITURE | 8,683,372 | | 9,066,723 | | 9,320,670 | |
| INCOME | | | | | | |
| Parish Fees | 345,000 | | 345,000 | | 345,000 | |
| Invest income Gen. & Glebe | 1,006,446) | | 1,095,215) | | 1,065,330) | |
| Invest income Stipends Fund | 1,034,997 | 8% | 1,180,255 | 6% | 1,185,905 | 9% |
| New Invest income Stipends Fund | 450,583) | | 367,434) | | 540,651) | |
| Letting income | 172,000 | | 172,000 | | 172,000 | |
| Sundry income | 161,000 | | 161,000 | | 161,000 | |
| | 3,170,026 | | 3,320,904 | | 3,469,886 | |
| Surplus of expenditure over income | 5,513,346 | | 5,513,346 | | 5,513,346 | |
| MINISTRY SHARE INCOME | | | | | | |
| Ministry Share | 5,853,134 | 3% | 6,028,728 | 3% | 6,209,589 | 3% |
| Estimated Shortfall | -77,062 | | -79,374 | | -81,755 | |
| DDR Discount | -142,066 | | -146,328 | | -150,718 | |
| Deanery Discount | -118,789 | | -122,353 | | -126,023 | |
| MINISTRY SHARE TOTAL | 5,515,216 | | 5,680,673 | | 5,851,093 | |
| NET SURPLUS/(DEFICIT) FOR YEAR | 1,870 | | -65,147 | | 310 | |
| Forecast stipendiary clergy numbers | 109 | | 111 | | 113 | |

Forecast stipendiary clergy numbers:-

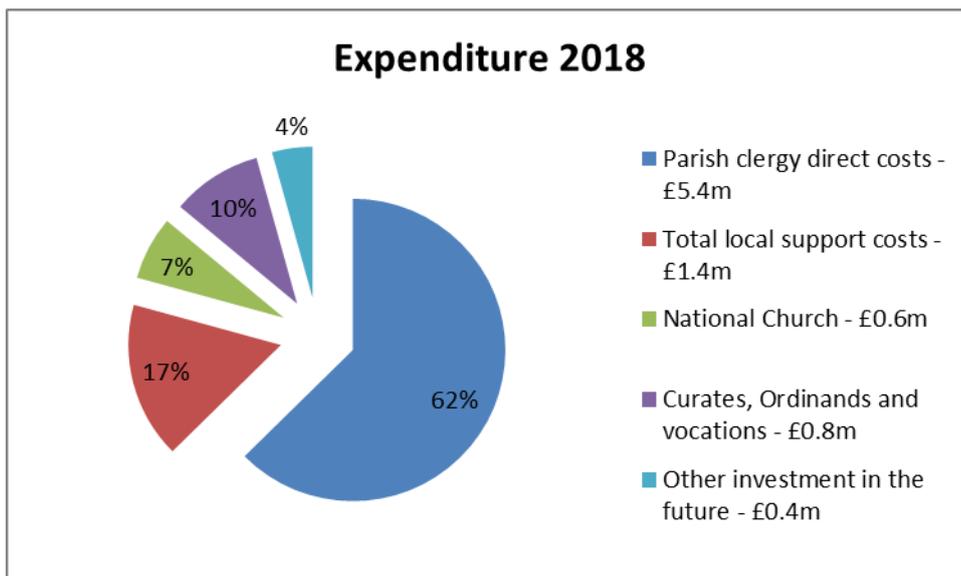
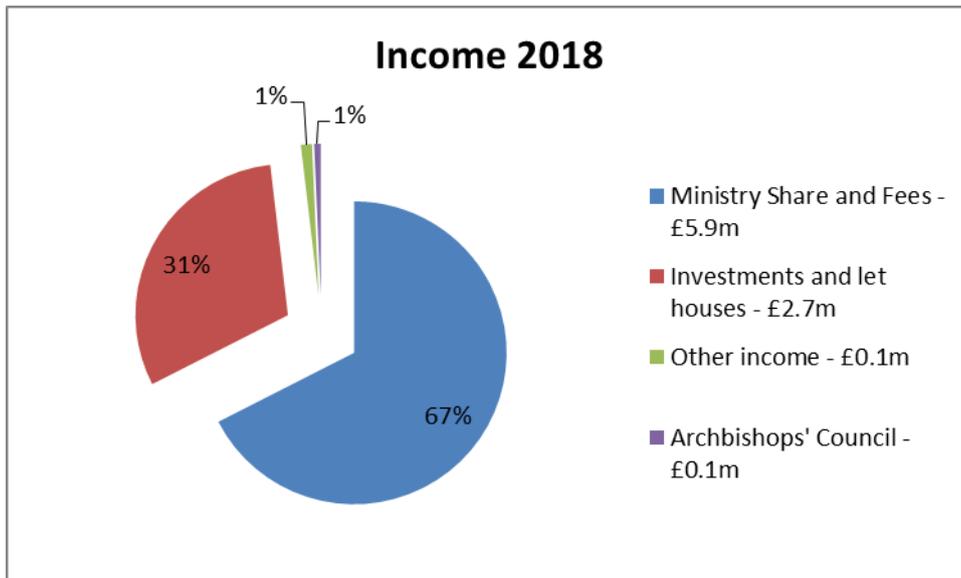
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------|------|------|------|------|------|
| | | | | | | |

| | | | | | | |
|------------------------|-----|-----|-----|-----|-----|-----|
| Stipendiary clergy fte | 102 | 104 | 106 | 109 | 111 | 113 |
|------------------------|-----|-----|-----|-----|-----|-----|

2017 Budget



2018 Budget



| BUDGET 2018 | | | | |
|--|------------------------|------------------------|------------------------|----------------------------------|
| ELY DIOCESAN BOARD OF FINANCE | | | | |
| | | | | DRAFT 2018 BUDGET |
| 3% parish share increase inc. inflation | | | | version 11 20.04.17 |
| INCOME | | | | |
| | 2016 BUDGET | 2016 ACTUAL | 2017 BUDGET | 2018 DRAFT BUDGET |
| | £000s | £000s | £000s | £000s |
| GIVEN BY PARISHES | | | | |
| Net Ministry Share received | 5,237 | 5,236 | 5,387 | 5,515 |
| Parish fees | 369 | 346 | 345 | 345 |
| | 5,606 | 5,582 | 5,732 | 5,860 |
| INVESTMENT INCOME | | | | |
| Investment income (incl Glebe, net of costs) | 1,949 | 2,028 | 2,310 | 2,492 |
| Parsonage letting income (net of costs) | 172 | 203 | 172 | 172 |
| | 2,121 | 2,231 | 2,482 | 2,664 |
| OTHER INCOME | | | | |
| | 161 | 175 | 161 | 161 |
| TOTAL INCOME | 7,888 | 7,988 | 8,375 | 8,685 |
| EXPENSES | | | | |
| PARISH CLERGY DIRECT COSTS | | | | |
| Local Support Costs | 540 | 498 | 612 | 665 |
| Diocesan Office Costs | 633 | 764 | 810 | 785 |
| TOTAL LOCAL SUPPORT COSTS | 1,173 | 1,262 | 1,422 | 1,450 |
| CONTRIBUTION TO NATIONAL CHURCH | | | | |
| | 545 | 545 | 570 | 590 |
| INVESTMENT IN THE FUTURE | | | | |
| Non Recurring Restructuring Costs | 1,060 | 941 | 1,149 | 1,209 |
| | | 62 | | |
| TOTAL EXPENSES | 7,837 | 7,850 | 8,354 | 8,683 |
| (DEFICIT)/SURPLUS | 51 | 138 | 21 | 2 |

EDBF BUDGET - 2018

Assumptions

| | |
|--------------------|--|
| Ministry share | 2% inflationary increase 1% for Ely2025 implementation Collection rate remains at the same level (98%) |
| Letting income | no change from 2017 |
| Other income | no change from 2017 |
| Investment income | up 8% following completion of land sales |
| Stipends | 106 clergy, increasing to 109 in 2018 Clergy stipends increase 1.50% for 2017/18 Clergy stipends increase 2.00% for 2018/19 Curate numbers remain the same at 15 Curates stipends increase 1.30% for 2017/18 |
| Housing | 2% increase from 2017 |
| Clergy other costs | no change from 2017 |
| Archdeacons | costs increase by 2.00% (including a new allowance for Rural Deans) |
| Salaries | average pay rise of 1.10% as of 01/04/2017 |
| DDO and Vocations | no change from 2017 |
| Support costs | no change from 2017 |
| Ordinands grants | assume marginal uplift |
| Mission & Ministry | cost increases for Ely2025 implementation (see page 6 for details) |

What's what ...

These notes describe the main areas of income and expenditure in the 2018 proposed budget.

Income

- Ministry Share is increased by 3% and no reduction in the rate of collection is anticipated for 2017 and 2018
- Investment income: the Assets Committee seeks to maintain a 5% increase in income each year over and above the level of inflation.
- Parsonage letting income is expected remain steady

Parish Clergy Direct Costs

The first and most significant area of expenditure includes all the items necessary for placing and supporting ordained and lay ministers within the Diocese.

- Clergy Stipends: For 2018 the budgeted number of stipendiary posts is 109. The posts are a mix of parochial stipendiary posts, other stipendiary clergy and pioneer posts. The 2018 figure of £5.434m represents stipends, pension, National Insurance contributions, housing, removals/resettlement grants and the costs of vacancies. 62% of the budgeted expenditure relates to the direct costs of clergy.

The 2018 budgeted figure is calculated to reflect a 2.0% stipend increase from 1 April 2018, a figure set by the National Church.

Local (Clergy and Parish) Support Costs

These are the costs of providing support to parishes and clergy plus several statutory functions. They include:

- Archdeacons (with support staff)
- Ministry support and training
- Clergy support and counselling
- Stewardship support
- Safeguarding
- Legal fees
- Church inspection and faculty fees

Overall, 17% of the budget is spent on these operational items; it is set at a slightly higher figure than the 2017 budget to incorporate an increase in the costs of Ministry to support the Ely2025 strategy. All expenses incurred by the Bishop and his office are paid by the Church Commissioners and are not included in this budget. Likewise, the Cathedral is directly funded by the Church Commissioners and not by the Diocese.

Diocesan Office Costs

These are the costs of administration for the Diocese. This heading includes:

- Salaries for administration and Diocesan Advisory Committee (DAC) staff
- Office running costs and maintenance
- Parsonage maintenance
- Church Buildings Support (work carried out in-house)
- Board and Committee expenses
- Communications and Public Relations
- Audit and accountancy advice, finance, gift aid support, trusts administration
- Legal advice

Wherever possible, costs are being held at 2017 levels, although salaries have been adjusted where the 2017 budget did not represent the current staffing structure.

Contribution to National Church

This heading brings together all the costs associated with our support for the Church of England, together with costs associated with training new clergy in theological colleges. The main element in the National Church Support figure includes the central administration, some funding for retired clergy housing and some clergy associated with the Church of England's National Mission.

The Archbishop's' Council has made a commitment to keep costs down. The average budget increase per diocese has been set at 3.5% nationally.

Investment in the Future

- Curates
- Bishop's Officer for Growing Vocations
- Bishop's Change Officer for Market Towns
- Director of Ordinands
- Local Ordinands maintenance grants
- Council for Mission
- Youth and Children's Adviser
- Fresh Expressions Adviser
- Local Mission projects
- Anglia Ruskin University chaplain

The 2018 budget is for 15 curates (as for 2017). Overall, 14% of the budget is spent on these operational items; it is set at a slightly higher figure than the 2017 budget as it incorporates anticipated changes in the costs of Ministerial Education.

Surplus

As a charity and not-for-profit organisation the Diocese aims to break even over time. Due to fluctuations in circumstances, surpluses and deficits are made annually. Recent years have returned a surplus, while in earlier years deficits have been incurred. The 2016 budget outcome was attributed to better than expected investment income, lower local support costs and some savings in staff costs at the Diocesan Office. It has been made available to parishes under the auspices of the Ely2025 Fund.

Reserves policy

Any surpluses which have been built up over years are known as reserves. The Charity Commission requires us to have a policy. The Diocesan Reserve Policy is a target for free reserves (net of tangible fixed assets and investments) currently set at an amount equivalent to three months' gross expenditure from unrestricted funds estimated at £2.02m. At 31 December 2016, the level of free reserves (i.e. excluding those tied up in fixed assets) stood at £2.15m.

CONTACT

If you have any comments or would like more information please contact:

Paul Evans, Diocesan Secretary,

Diocese of Ely, Diocesan Office, Barton Road, Ely, Cambridgeshire CB7 4DX

Tel: 01353 652702 Email: paul.evans@elydiocese.org

This guide is also available on the Diocesan website.

www.elydiocese.org