

Have your say on our

PORTSMOUTH DIOCESAN BOARD OF FINANCE - DRAFT 2005 BUDGET

	Gross budget expenditure 2004 (£)	Offset income 2004 (£)	NET COST 2004 (£)	Gross budget expenditure 2005 (£)	Offset income 2005 (£)	NET COST 2005 (£)
SYNOCDAL GOVERNMENT						
Archbishops' Council apportionment:						
Training for ministry	104,175		104,175	141,971		141,971
Central church activities	135,356		135,356	141,495		141,495
Mission agencies - pensions	8,791		8,791	8,806		8,806
Clergy retirement housing				40,663		40,663
General synod: members' expenses	6,500		6,500	6,600		6,600
Diocesan synod expenses	200		200	200		200
SECTION TOTAL	255,022		255,022	339,735		339,735
						(change: +33.22%)
CLERGY MAINTENANCE						
Stipends	2,019,966	570,450	1,449,516	2,104,806	634,457 (1)	1,470,349
Council tax	165,129		165,129	181,767		181,767
Employer's national insurance	122,759		122,759	132,949		132,949
Pension contributions	549,486		549,486	629,739		629,739
Freehold/parsonages repairs and insurance	259,292	31,030	228,262	275,989	13,025 (2)	262,964
Equity sharing loan interest	3,100		3,100	3,200		3,200
Ordination and in-service training	114,084	10,500	103,584	100,361	9,500 (3)	90,861
Clergy conference	5,000		5,000	5,000		5,000
Retired lay workers/clergy support	6,400		6,400	6,560		6,560
Clergy removal expenses	45,000	2,500	42,500	47,250	2,500 (4)	44,750
First appointment grants	13,623		13,623	11,765		11,765
Other expenditure	3,260		3,260	3,100		3,100
SECTION TOTAL	3,307,099	614,480	2,692,619	3,502,486	659,482	2,843,004
						(change: +5.59%)
CHURCHES						
DAC, church inspection, parish records	18,375		18,375	19,575		19,575
SECTION TOTAL	18,375		18,375	19,575		19,575
						(change: +6.53%)
EXTERNAL ORGANISATIONS						
Churches Together in Hants & IoW	2,300		2,300	2,760		2,760
SECTION TOTAL	2,300		2,300	2,760		2,760
						(change: +20%)
DIOCESAN ORGANISATIONS, OFFICERS AND ADVISERS						
Support for Readers' Board	30,771	4,000	26,771	29,795	4,000 (5)	25,795
Support for Diocesan Board of Education	82,403		82,403	102,112	14,332 (6)	87,780
Support for Diocesan Board of Mission	67,364	31,224	36,140	68,900	68,900 (7)	-
Diocesan Board of Ministry expenses	5,802		5,802	5,663		5,663
Diocesan Board of Patronage expenses	500		500	500		500
Diocesan Board of Finance expenses	1,550		1,550	1,500		1,500
Bishop's Advisory Group on Worship exps	400		400	400		400
Grant to cathedral	18,705		18,705	21,000		21,000
Further education officer expenses	1,042		1,042	500		500
Bishop's visitors expenses	50		50	50		50
Other clergy/lay exps (diocesan business)	150		150	150		150
Diocesan communications	32,853	11,970	20,883	40,114	16,500 (8)	23,614
Parish finance: advice and assistance	33,152		33,152	34,979		34,979
Diocesan music adviser	24,100	17,000	7,100	27,720	10,487 (9)	17,233
SECTION TOTAL	298,842	64,194	234,648	333,383	114,219	219,164
						(change: -6.6%)
DIOCESAN CENTRAL SUPPORT						
Diocesan office	236,607		236,607	248,800		248,800
Archdeacons	152,835		152,835	164,519		164,519
Inter-diocesan co-operation	800		800	800		800
Legal and audit fees	20,568		20,568	21,391		21,391
Publications	350		350	400		400
SECTION TOTAL	411,160		411,160	435,910		435,910
						(change: +6.02%)
CONTINGENCY ITEMS						
	3,000		3,000	3,000		3,000
TOTALS	4,295,798	678,674	3,617,124	4,636,849	773,701	3,863,148
Less (restricted) offset income:	678,674			773,701		
Less other restricted income:	16,000			15,500		
Less unrestricted income:	74,290			86,650		
Less Transition Fund subsidy:	320,000			345,000		
PARISH SHARE:	3,206,234			3,415,998		
Extra in 2005:				209,764		
Percentage increase:				6.54 per cent		
NOTES:						
(1) income from Church Commissioners, stipends fund, assigned fees and trusts and glebe						
(2) grants and insurance recoveries			(6) grant from Church Commissioners' mission fund			
(3) trust income and university MA teaching			(7) grant from Catherington Trust and mission fund			
(4) Archbishops' Council grant for Isle of Wight removals			(8) income from sales of <i>Pompey Chimes</i> and advertising			
(5) underspend brought forward			(9) cathedral contribution and fees			

THIS is your chance - once again - to say what you think of where our diocese will spend its money in 2005.

Last year, for the first time, our draft diocesan budget was detailed in the *Pompey Chimes*. Many of you welcomed this, and so we are publishing the 2005 draft budget in the same way so that you have an opportunity to make your views known.

Alongside you will see an abbreviated version of the full budget which was sent to every parish in July for consideration by PCCs during the early autumn.

The budget has been presented in a slightly different format for 2005, with staff costs apportioned to the areas of diocesan activity that they support. It is hoped this will give greater transparency of the full costs of different areas of work. For instance, the costs of the Diocesan Advisory Committee now include part of the salaries of the diocesan support staff.

We would again invite you to make your comments known to your PCC members so that they can be included in the views fed back to the Diocesan Board of Finance via deanery meetings.

The diocesan finance committee, which includes the lay chairs of all the deanery finance committees, will be meeting on September 27 to discuss any feedback prior to submitting a final version to the Diocesan Board of Finance for their consideration. If they agree to accept the recommendation it will be submitted to the diocesan synod for approval in November.

The crunch question

The proposed budget for 2005 is £4,636,849, which - after subtracting offset and other income - means parishes will be asked to find £3,415,998 in their parish share, an increase of 6.54 per cent on 2004.

Why is the increase above inflation again?

As we mentioned last year, several years ago the then Diocesan Board of Finance forecast that increases would be around seven per cent until at least 2007 as parishes were asked to take on the costs of meeting increased stipends for clergy and the costs of pensions.

There have been some unexpected increases in costs for 2005, but there are many areas of expenditure where the board can do little to avoid increased costs.

The main areas of change in 2005 are:

- an increase in our basic clergy stipend, including the increase decided by General Synod known as "Aspiration 2", of 4.5 per cent, adding **£84,800** to our stipend bill.

- a change in the way the housing for retired clergy is financed. This now has to be paid by dioceses, and the money saved by the Church Commissioners is paid back to dioceses on a "need basis". We will have to pay **£40,000** but will only receive back **£11,700**.

- arrangements to pool the costs of ordination training among all dioceses have resulted in our picking up an increase in costs of **£37,800**, but our own costs in 2005 will only reduce by about **£15,000**.

- the funding rate for clergy pensions has had to be increased following a further actuarial review, resulting in increased contributions of **£80,300**.

- Employers' National Insurance contributions