

Extra time for budget input

PARISHES were given an extra two months to comment on next year's draft diocesan budget.

PCC treasurers were sent the draft 2008 budget in July rather than September this year, so that feedback from parishes could be considered by the relevant bodies in October. If approved, the increase in parish share will be 5.45 per cent.

That means worshippers would be asked to give an average of £6.77 a week to the Church in 2008 – less than the cost of an adult cinema ticket or a week of national papers.

Our diocese's Fairer Shares scheme means richer parishes and larger congregations subsidise poorer parishes and smaller congregations. But the most that any parish will be asked for is £10.86 a week per worshipper. At the other end of the scale, each worshipper in one parish might only need to find £1.50 per week. This is calculated using weekly attendance figures for each church averaged over 10 years.

Most of our £6m budget goes towards paying parish clergy, but some is required for the national Church of England, some helps to pay for the pensions of retired clergy, and some pays for our central diocesan staff, who advise and support parishes and schools.

Parts of our budget are actually decided by the national Church of England. The general synod decides how much our diocese should pay towards training for ministry, central church activities, mission agencies and clergy retirement housing.

The amount that our diocese has been asked to pay towards clergy pensions is also largely beyond our control. In the 2007 budget, the diocese had to absorb an increase in pension contributions to 39.8 per cent of clergy stipends to address a serious deficit in pension funding. The 2008 budget assumes a similar contribution rate – £800,000 is set aside for clergy pensions next year.

The budget also assumes a three per cent rise in both clergy stipends, and salaries for those employed in Kairos posts created by reductions in the number of stipendiary clergy.

Among those areas where extra spending has been recommended are: the IT budget (£24,000); a contribution towards the Lambeth conference (£3,000); resources for the new Kairos: Buildings programme



Most of our budget goes on paying clergy to work in parishes

HOW EACH £1 IS SPENT



(£13,300); clergy interview expenses (increased from £1,500 to £6,500); the work of our Mission and Education team (an extra £28,400); and increases in Council Tax on parsonages (£19,000).

Some of these increases could be removed from the budget, providing some savings, if the deaneries recommended to the Bishop's Council that any of this work shouldn't be done.

One third of the budget is financed from elsewhere, but two-thirds of it comes from the generosity of worshippers in their parish share contributions.

As usual, the responsibility for collecting the cash will be delegated to our eight deaneries. Parishes that are finding things tough financially can negotiate with neighbouring parishes, which may agree to help pay their share for a year or two. This system has helped to ensure that 100 per cent – or virtually 100 per cent – of parish share has been paid in each of the past 12 years.

A total of £330,000 will be taken out of the Transition Fund, which was created in the mid-1990s when it became clear that responsibility for clergy pensions would be transferred from the Church Commissioners to individual dioceses. So far, £1.5m has been invested in this fund and around £2.8m withdrawn, with about £600,000 still to spend.

You can still make comments on the draft budget via your PCC treasurer. Each deanery finance committee will collate comments and report back to the diocesan finance committee on October 1. Our Bishop's Council will make the final recommendation to diocesan synod at its meeting on October 16.

Our 'Fairer Shares' system made even fairer

OUR system of Fairer Shares ensures that richer parishes and larger congregations help to support poorer parishes and smaller congregations.

It uses a complicated formula that takes into account a socio-economic score for the wealth of each parish and a 10-year rolling average of congregation size.

But is it still the fairest way to decide who pays what? That was the challenge for a group asked to review our Fairer Shares system over the past few years.

It concluded that the socio-economic score was still the best way to measure wealth, and that weekly attendance –

averaged over a 10-year period – was still the best way to reflect the size of a church community. But it recommended a change to reflect the fact that the richest people in Britain are actually getting richer in relation to the poorest in our society.

Until now, the socio-economic score for each parish has been a figure between 0.5 and 1.5, where the higher figure denotes a richer parish and 1.0 is the average. The final calculation of parish share involves multiplying by that score.

The parish share review group recommended that the scale changed to 0.25 to 1.25, with 1.0 remaining as the average.

That gives more help to the poorest parishes. The change was approved by our diocesan synod in June.

Our diocesan finance committee felt that making this change in just one year might be too much for some parishes. It therefore recommended consulting parishes as to whether it should be a one-off change or phased in over three years.

Parishes have been sent details of how much they would pay in both cases and asked which system they would prefer. Their feedback will go to the finance committee on October 1 and the final decision taken by Bishop's Council on October 16.

PORTSMOUTH DIOCESAN BOARD OF FINANCE - DRAFT 2008 BUDGET

	Gross expenditure (£)	Offset income (£)	NET COST (£)
SYNODICAL GOVERNMENT			
Archbishops' Council apportionment:			
Training for ministry	146,985		146,985
Central church activities	150,638		150,638
Mission agencies - pensions	10,223		10,223
Clergy retirement housing	36,441		36,441
General synod: members' expenses	6,580		6,580
Diocesan synod expenses	1,000		1,000
Lambeth conference contribution	3,500		3,500
SECTION TOTAL	355,367		355,367
CLERGY MAINTENANCE (parish clergy, including training curates)			
Stipends	2,231,282	-781,352	1,449,930
Council tax	196,448		196,448
Employer's national insurance	152,407		152,407
Pension contributions	799,281		799,281
All housing repairs and insurance	476,092	-153,975	322,118
Retired lay workers/clergy support	7,030	-5,800	1,230
Clergy removal expenses	56,384		56,384
First appointment grants: NSM	5,892		5,892
First appointment grants: stipendiary	11,784		11,784
Clergy posts: interview expenses	8,000		8,000
Pastoral care services	2,000		2,000
Kairos posts and projects	102,514		102,514
SECTION TOTAL	4,049,113	-941,126	3,107,987
MISSION AND EDUCATION			
Staff employment costs	347,406	-301,629	45,777
Apportioned building costs	14,934		14,934
Apportioned office services/staff costs	26,082		26,082
Activity costs	44,479	-9,000	35,479
SECTION TOTAL	432,901	-310,629	122,271
MISSION AND DISCIPLESHIP			
Staff employment costs	281,903	-41,455	240,448
Apportioned building costs	11,615	-13,808	-2,193
Apportioned office services/staff costs	20,286	-25,100	-4,814
Activity costs	141,086	-42,265	98,821
SECTION TOTAL	454,889	-122,628	332,261
MISSION AND RESOURCES			
Staff employment costs	424,529	-69,552	354,977
Apportioned building costs	24,889	-29,590	-4,700
Apportioned office services/staff costs	43,469	-25,100	18,369
Activity costs	15,590	-18,982	-3,392
SECTION TOTAL	508,478	-143,223	365,254
MISSION AND SOCIETY			
Staff employment costs	173,360	-15,814	157,546
Apportioned building costs	13,274	-15,781	-2,507
Apportioned office services/staff costs	23,184	-25,100	-1,916
Activity costs	44,307	-45,369	-1,063
SECTION TOTAL	254,125	-102,064	152,060
OTHER DIOCESAN CENTRAL SUPPORT			
Grant to cathedral	14,420		14,420
SECTION TOTAL	14,420		14,420
TOTALS			
	6,069,292	-1,619,671	4,449,621
Less restricted income:	-1,619,671		
Less unrestricted income:	-129,066		
Less Transition Fund subsidy:	-330,000		
PARISH SHARE:	3,990,555		
Extra parish share required in 2008:	206,361		
Percentage increase:	5.45 per cent		