

CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

Minutes of a meeting of the Carlisle Diocesan Board of Finance Ltd held at Newton Rigg on Tuesday, 18th June 2019.

B 19/06 ATTENDANCE

64 members were present and 15 apologies for absence were received.

.B 19/07 MINUTES – DBF 19/02

The minutes of the meeting held on Saturday, 16th March 2019 were approved and signed.

B 19/08 MINUTES OF THE FINANCE COMMITTEE & QUESTIONS TO THE CHAIR – FC 19/25 & FC 19/26

The minutes of the meetings held on Wednesday 23rd January 2019 and Wednesday 20th March 2019 were received.

Mr Johnson drew attention to the Financial Review published by the Board, which gave some examples of what was going on across the Diocese as well as summarising the financial situation.

Mr Jaques said that the purposes of the Review were to remind readers of the state of diocesan finances and to try and answer questions about how the Diocese worked and how the Parish Offer and other income was used. He hoped it would be widely shared so that as many people as possible saw it. It showed what was included in the cost of local ministry. In particular it emphasised that every pound of Parish Offer and income from parochial fees was invested in local ministry. Mr Jaques invited feedback on the document as he wanted to use something similar in future years as part of improving the way Church House communicated with parishes and creating a better understanding of diocesan finances and the parish offer system. A PDF copy of the document was available on the website or by emailing Mr Jaques or Mrs Hodge.

Mr Jaques mentioned the first Bishops' Stewardship Roadshow which had been held in Kendal on 14th July. There were two more to be held in July in Cockermouth and Carlisle and he encouraged as many people as possible to attend. He also mentioned a legacy pack which was available free of charge to parochial church councils and copies of which were being given away at the roadshows. If members could not be present at the roadshows copies of the pack were available from himself or Mrs Hodge.

B 19/09 DIOCESAN BUDGET 2020+ – DBF 19/04

Mr Hurton introduced the budget paper. He asked the Synod to approve the budget for 2020 and expressed his hope that this year this would be a straightforward decision for two main reasons. First, the budget covered year six of a six year budget period, and as the strategy and plans for year six had not changed, the budget for that year was also broadly the same as had been expected previously. Second, the projected outturn was slightly better than that presented last year.

A balanced budget had been set for the whole period from 2015 to 2020, and we were now projecting a surplus for that period of approximately half a percentage point. In one sense this was very gratifying but it had not actually been arrived at in line with the detail of the original budget. In fact, the Parish Offer had been lower than planned but this had been offset by a larger number of vacancies than planned.

The draft budget was based on five key assumptions. Parish Offer would be broadly static in 2020 following the 2.7% fall in offers for 2019. We would continue to make progress towards our 2020 clergy numbers. We would continue to work to fill outstanding clergy vacancies during 2019. Parochial fees and fees paid from the national church to cover the cost of ordination training would rise slightly. The Diocese would continue to maximise its investment and rental income, renting out vacant properties as soon as possible and selling surplus assets and investing the proceeds. On this last point, Mr Hurton pointed out that we had seen our rental income rise from £70,000 to £250,000 a year because we were now much more proactive in renting vacant houses soon after they became empty. We were less good at selling potentially surplus vicarages which, if the capital receipt was invested, would be an income stream that could be used to support the budget at a time when Parish Offer was under so much pressure. The budget assumed that we would continue to be proactive in renting vacant properties and would sell surplus properties more quickly than in recent years.

Mr Hurton said that he believed the next eighteen months were going to be very tough in terms of planning the budget beyond 2020. Bishop Emma was leading the process of refreshing the God for All vision and strategy for the period after 2020. The budget would need to be set to resource the refreshed strategy. This would involve repeating the work that was done in 2014 for the 2015-20 budget. We had done well to be on track to meet the overall outturn planned back in 2014 but the indicative figures for the next few years showed a cumulative deficit of £600,000, assuming that clergy numbers stabilised and Parish Offer rose in line with inflation.

Mr Johnson reminded members that these budget figures had been approved by the Bishop's Council and Finance Committee before coming to the DBF/Synod for members' approval. The following motion was then carried.

"That the expenditure and contributions proposed in the budget for 2020 be approved."

It was noted that the that the budget provided for a 2% increase in the Diocesan Standard Stipend for clergy of incumbent status of £26,950 from 1st April 2020.