**Assumptions and Issues to Consider when thinking about 2021 Parish Offer**

**Introduction**

Clearly, trying to think about your PCC finances now for the rest of 2020, and then for 2021, in the light of so much uncertainty, is very difficult indeed.

To help you try to do this, we have produced a template spreadsheet (in the same format as the annual Financial Return), and list of assumptions and issues to consider for each line, which we hope you will find helpful – and ensure that all of us are trying to do this as best we can using the same logic and thought process.

The aim is to look at your last set of accounts (hopefully 2019 even if draft), think about what has happened already in 2020 and what may happen by December – to give you a feel for what your 2020 accounts might look like. And then to do that again for 2021, having considered the issues below and how they might manifest themselves in your parish. Think specifically about your parish, and your congregation.

We know they won’t be ‘correct’ but we hope they will give you some idea as to how your income and expenditure might be affected this year and next, and based on that, make an informed parish offer which you will be able to pay, if those assumptions prove to be about right. If it proves to be badly wrong then we will all respond accordingly, knowing we did our best.

**2020**

So, for 2020, please work on the following assumptions and consider the issues they raise:

* **Churches can start to open up for worship from July.**

When do you think your church might start to open for worship?

Knowing the people, or thinking about their age, health etc, how many people do you think might return quickly, or after a while if things are ‘settling down’? How many may stay away for a long time?

* **Covid-19 cases in Cumbria.**

It is likely that there will (we hope) be a few ‘gentle’ months with relatively few local cases.

But it is likely that the autumn will bring the usual coughs, colds, some flu, and probably some increase in Covid-19 cases – (with much uncertainty as to which it is that people have!). So, there may be some tightening of lockdown, and/or an increased reluctance to go to church.

***Think about (and discuss with your vicar/PCC) what the above might mean for your church(es) – to what extent do you think people will attend church through to Christmas?***

* **Festivals.**

Assume that some sort of harvest festival and Christmas celebrations will happen, but you may need to do them differently (outside, spread over a few Sundays etc) and that they will quite possibly be smaller than usual. Or is that optimistic for your church?

* **Special Occasions**

If cases remain low and special services are permitted (Christenings, weddings, funeral and memorial services) – do you expect some element of ‘catch up’ in 2020 – or in 2021 – consider the impact on parochial fee income and collections (although numbers attending may be lower for a while)

* **Income Sources**

In trying to estimate your income for the rest of 2020, consider:

- do you think anything will impact the regular giving? (Are there key givers who you know have been impacted by the virus – through health, bereavement or financial change?)

- given your thoughts on your local congregation, what might come in through envelopes and plate collections?

- Assume that you will have some sort of opportunity for a ‘welcome back / catch up’ offering (with resources from Diocese to support it). And some additional work around stewardship to remind people of the need to support the mission financially if they can.

- Have you put in place additional online giving options?

- Given potential issues around handling cash, might you be able to move some collection/envelope givers onto a standing order?

- Are there specific local economic issues that you know will impact your givers? Many of our congregations have retained their income and are spending less than normal, but we know others do face significant financial challenge and the closure of a large local employer, or the impact on tourism, could be a factor for some churches and their key givers.

* **Fundraising**

Consider the fundraising events you would normally have between now and Christmas. Do you think they might happen? And if so, how well do you think they might do?

* **Other Income**

Do you have other sources of income (investments, room hire) – how might they be affected for the rest of 2020?

* Groups may start to meet again, hiring halls etc.
* Interest rates are very low, but CCLA investment dividends are holding up so far
* **Church Costs and Expenses**

Think about your usual expenditure – will it apply unchanged for the rest of 2020, or are there savings you can make?

Are there any additional expenses which will need to be made this year? (eg urgent property repairs)

Assume that you pay your 2020 Parish Offer in full if that is realistic – or if you won’t have the money to do that, assume that you pay what you can. How much do you think that will be? (That may become apparent when you have filled in the template!)

Based on your thoughts around these assumptions and questions for 2020, and your actual financial position now, try to complete the template (or your own version) to see what unrestricted funds are likely to be at 31 December 2020. It is quite possible that you (like the diocese) will have to have used up some/much of your unrestricted reserves.

**2021**

You will now have to repeat the exercise for 2021 – thinking through what your income and expenses might be based on the following:

* **Churches remain open for worship**

Assume that churches remain open for worship, but consider whether you think congregations will remain lower during the spring while colds, flu, and covid-19 keep some people away.

Start to think about what a ‘new normal’ might mean in your church(es).

* **Covid-19 cases in Cumbria.**

Assume that although not rising to anything near the 2020 spring levels, there is a higher prevalence of covid-19 through the winter, starting to fall again at Easter.

* **Easter and beyond**

Assume a ‘getting near to normal’ Easter for services and celebrations.

Assume normal special occasion services – with perhaps some element of ‘catch-up’ for postponed weddings and christenings

Assume that summer sees a return to your ‘new normal’ congregations – will that be like last year before coronavirus hit us, or do you expect to have lost some members who can’t / don’t want to return to worshipping in church. Will you have found new members through your online presence?

Assume that fundraising events, summer fayres etc are able to happen and bring in the usual levels of income.

Assume that other sources of income like room hire return to normal.

You might want to be cautious about investment income – with low interest rates and dividends possible in the light of significant recession.

And bear in mind any urgent building costs that will not be met from restricted funds.

**We appreciate this is all very tricky – please do your best – we fully understand that much of this is guesswork at this stage – but it gives us somewhere to start as we plan for 2021.**