

## CARLISLE DIOCESAN BOARD OF FINANCE LIMITED

### Minutes of a Meeting of the Carlisle Diocesan Board of Finance, held at Newbiggin Village Hall, Penrith on Saturday 9<sup>th</sup> March 2024

#### Chair's Remarks

The Chair, Mr Jim Johnson, opened the meeting. He reported that at this point in the year it was too early to know how 2024 would turn out but that we already knew from our planning that the interplay between two components would be key in the final analysis. The first component was the Ministry Offer which provided the bulk of our income and had performed better in the last year than historically but still lagged behind inflation. The second was inflation itself, which was on the way down but still subject to some uncertainty. Our spending power as measured by the level of the Ministry Offer was therefore expected to continue to weaken.

We continue to rationalise the assets on our balance sheet and to invest with fund manager CCLA (Churches, Charities and Local Authority). CCLA had two main portfolios that we used: the Investment Fund which typically gave a 3% dividend yield with some capital fluctuation; and the Property Fund, which yielded 5%. Our policy continued to be to look rationally at all the assets in our balance sheet, dispose of ones such as redundant parsonages, and allocate the capital in the way that would realise the highest income to fund ongoing Ministry. Every million pounds that we could invest in this way would generate £30k to £40k in extra income, paid every year. To put this into context, in 2023 the direct payroll, housing and training costs of local ministry were £5.2m and the income from Parish offer was £4.1m so there was a gap of £1.1m and investment income was critical if we were to fill that gap.

In terms of the DBF's 2023 draft statutory accounts, we could once again report that we beat our budget in terms of the bottom-line outturn. We had an underspend of 300k, but unfortunately this related primarily our continued inability to fill clergy posts. In the five years up to 2023, we had turned in a surplus of around half a million pounds. As Synod were aware from the presentation of the 2023-2028 budget, we had applied that surplus to that budget, thereby allowing us to maintain activity and ministry at a level that would otherwise be unsustainable, while having a balanced budget over 10 years.

The DBF's accounts remained subject to audit in April and May but Ric Jaques, Head of Finance, expected that there would be no substantial changes resulting from the audit. Synod would be asked to receive the accounts at their June meeting in the usual way.

#### Minutes

The minutes of the meeting of the Diocesan Board of Finance held on Saturday 14th October 2023 were approved.

#### Succession Planning

The Chair drew attention to the upcoming elections in the autumn. He highlighted that he would not be able to stand for re-election as he had reached his maximum term of office as a Trustee of 9 years. Others of the existing Trustee body could stand for re-election if they wished.

The Board of Trustees' main responsibility was to look after the assets of the business, thereby enabling Bishop's Council and Diocesan Synod to concentrate on the Mission and Ministry of the diocese. He encouraged anyone who had a business background and felt that they could complement the board to stand for election and for Synod members to encourage others who they felt had the correct skills to stand.

### **Minutes of the Finance Committee & Questions to the Chair**

The minutes of the meeting of the Finance Committee held on Wednesday, 19<sup>th</sup> September 2023 and Wednesday 22<sup>nd</sup> November 2023 were received.

Val Hallard, Solway Deanery, commented that she had attended a General Synod fringe meeting given by the team who research Ministry Offer looking at what makes for a successful diocesan Quota, Parish Share or Ministry Offer process. The research had shown that almost nothing in the design and operation of the scheme made any difference to overall collection levels other than planning ahead, looking forward beyond a single year's offer and working collaboratively. These elements all featured strongly in the approach we had been taking in the last couple of years.

The Chair noted his thanks to the PCC Treasurers and other local representatives, local Clergy, Archdeacons, Derek Hurton, Ric Jaques, Sophie Hodge and John Thompson team for the time, effort, preparation and follow up to the Ministry Offer meetings over the last 15 months.