

Welcome to Diocesan Synod

Financial position of the Diocese

March 2023

Background

- Money as missional choice
- Structural deficit of up to £1 million
 - Structural = not one-off; doesn't go away through normal means
- Caused by reduced income rather than increased expenditure
- Plan A = more income
- Plan B = reduced cost

Reduced income – DBF

- Not clear where parishes building back to re giving
 - Fewer people
 - 2022 weekly attendance @ 80% of 2019 attendance
 - Maybe more over course of a month
 - Less money
 - Cost of living crisis
- Utility costs and other cost pressures
- Lost rental income
- Depleted reserves
 - Parish Share and other commitments

New settlement

- DBF financial position not sustainable on the basis of the pre Covid settlement
 - National Church income (LInC) + assumed level of Parish Share
- Looking for a new settlement
- Other dioceses will follow with financial challenges
 - 2022: aggregate deficit of DBFs was £43 million

New settlement

- Basing case on:
 - Lowest asset base in CofE
 - Accident of history
 - Producing lower income year on year
 - Meaning increased Parish Share year on year
 - Creating lower levels of financial resilience
 - So unsurprising that Covid (or equivalent seismic event) hits us harder

The problem

- Our argument lies outside current national church funding arrangements
 - Need to find a creative solution
- If we don't succeed we are facing major cuts
 - £1.7 million cuts to remedy £1 million problem
 - Associated lost income

Current plan – 5 elements

National church facing:

- i. Solution for 2023
 - Create financial breathing space
 - Understand better what we're building back to
- ii. Get agreement around root cause of our financial challenge
 - Will involve open book relationship/engagement

Current plan – 5 elements

Diocese facing:

- iii. Begin to tackle areas of outlying financial performance
 - Spread the load fairly
 - Areas that don't make Parish Share contribution expected of their SEF
 - Even though paying what is asked of them
- iv. Ask parishes to pay as much Parish Share as possible
 - Cash
 - Credibility
 - Plan B by default

Current plan – 5 elements

Diocese facing:

- v. Continue with Fit for Mission
 - Long-term plan for missional flourishing
 - From which financial resilience can accrue
 - National church investment

Timescale

- Will know by end April:
 - Whether we have secured funding for 2023
 - Whether we have a trajectory to answer the core question around root cause of financial problems

And finally ...

- Whatever happens we're in a different landscape
 - Problems are not going away
 - Can't simply go back to what was before
- No financial support puts us in very different territory
- Absolutely maintain 3-fold partnership
 - Worked brilliantly in Covid
- May be the first, but definitely not last diocese, to face this
- Sticking with plan A

