

DIOCESAN SYNOD

Budget 2010

Issue

- 1 The DBF's Budget for 2010.

Recommendations

- 2 That Diocesan Synod approves gross expenditure by the DBF of £8,227k for the year ended December 2010.

Resources

- 3 The Budget for 2010 sets out a required expenditure of £8,227k against anticipated parish share of £5,735k and other income of £2,114k. This would lead to a deficit of £379k.

Argument

- 4 The Budget for 2009 contained an outward projection to 2010 of a deficit of £770k if no action was taken. Diocesan Synod in approving the budget noted it wished for considerable moderation of this in preparing the 2010 budget.
- 5 On revising the roll-forward at the start of budget process for 2010 this forecast was reduced to £720k, primarily due to reduced inflation estimates.
- 6 Bishop's Council agreed with the Finance Committee the principle that any costs savings should be proportional between clergy costs (stipends/houses etc) and central services. This would mean around 75% savings would need to come from clergy and housing costs and 25% from other departments.
- 7 The following principles were agreed as necessary and appropriate to achieve a significant reduction in the budget:
 - a. Freeze on all stipends and salaries
 - b. Reduce curate intake from six to five
 - c. Extend vacancy period average from six to nine months, which will produce additional lettings income by ensuring most vacancies achieve a let.
 - d. National contribution should be cut as a significant cost to the DBF.
 - e. Other departmental savings to be made where possible without enforced redundancies.
- 8 A number of cost pressures were also considered. Three were taken into the ongoing budget, an additional £8k for reception cover and £5k to provide the Diocesan Missioner with an ongoing budget for activities and an additional £2k for Area Deans expenses.
- 9 The following therefore is a reconciliation of the original budget roll-forward of £720k and the current proposal for a deficit budget of £379k:

	£'000	£'000
Original Budget roll-forward deficit		(721)
Extending average vacancy period to 9m	97	
Ancillary additional lettings income	100	
Stipends Freeze	66	
One less curate (half year in 2010)	11	
Additional Area Deans and Missioner Budget	(7)	
Clergy savings (<i>%age of cuts/expenditure</i>)	<hr/>	267 68%
Lay Salary Freeze	49	
Children & Youth Ass't not replaced.	21	
Charging for GET grant applications	8	
Reduced hard copy circulation of Inspires	6	
Freeze PC replacement programme	4	
Other departmental savings	20	
Additional reception cover	(8)	
Central services savings (<i>%age of cuts</i>)	<hr/>	100 26%
National Church Savings (<i>%age of cuts</i>)	<hr/>	25 6%
Deficit before pension contribution change	329	
Clergy Pension contributions increased to 45%	50	
Revised deficit as recommended	<hr/> <hr/>	379

- 10 The Children and Youth Assistant post is currently vacant and will not be replaced by agreement with the Director of CYPD.
- 11 Gloucester Environmental Trust (GET) grants are currently administered free by the DBF, from 2010 it is planned to charge successful applicants.
- 12 The Communication's officer will look to reduce hard copy publication of Inspires and replace them with a greater emphasis on e-communication delivery.
- 13 The PC replacement programme being deferred will result in a cash savings of around £14k but this will result in a first year accounting saving of only £4k.
- 14 If curate intake remains at five the DBF would save a total of around £100k p.a. at the end of four years.
- 15 These savings obviously reflects a significant amount of reduction in the budget and a proportionate amount of difficulty for the diocese, DBF and parishes, in carrying out its mission. This however accurately reflects the best efforts of Bishop's Council and the Finance Committee in minimising the budget deficit.