

Newcastle Diocesan Synod Proposed Budget 2022

Introduction

1. The proposed budget to support activities in 2022 is seen as a transitional year as we all continue to recover in mission and ministry post the coronavirus pandemic. In July it was agreed to continue to provide contingency arrangements into 2022 to support parishes with Parish Share in 2022.
2. In October each Parochial Church Council and District Church Council was invited to respond to a consultation about Parish Share. A copy of the request is included at **ANNEX A**. The responses to the consultation are summarised at paragraphs 13-16.

Progress with the review of Parish Share

3. Work to review the way Parish Share is agreed in the future was completed in the summer of 2020. The continuing impact of the COVID-19 restrictions into 2021 has presented many parishes with continuing challenges and has meant a delay to the full implementation of the Review Group's recommendations in both 2021 and 2022.
4. However, the budget consultation with parishes has continued to embed the spirit of the recommendations and the work of the Review Group. **ANNEX B** adopts the Group's methodology to visualise how the total budget for ministry and mission is expended.

Progress with reshaping Ministry Deployment

5. Work has continued throughout 2021 on a programme of transformation titled **growing church bringing hope next steps**. The outcome of our application to fund this programme is, of course, now known. The November Synod is the first opportunity for the Synod to engage with the outcome and to provide a steer to Bishop's Council to help agree what our next steps with this programme should be.
6. A new model of ministry deployment will be crucial to shaping future budgets and helping the introduction of new Parish Share arrangements.

What are the main elements of the budget for 2022?

7. This budget proposes a Parish Share request for 2022 at the same level as that set for 2020, which was £4,496,184. The budget proposal continues to be shaped around five priority budget areas:
 - **Today's Ministry**
To resource our cohort of paid and unpaid ordained and lay ministry serving parishes, working in universities, in schools, hospitals and other institutions. This ministry is supported through the provision of continuing ministerial formation (CMF), spiritual direction, counselling and wellbeing in addition to, where eligible, a provided house, a clergy stipend (monthly payment) and pension arrangements.
 - **Tomorrow's Church**
To continue to serve our communities we need to grow vocations to ordained and lay ministry. This requires an investment in people and the investment requires resource. This area of the budget funds curates in training posts, their housing needs, our training and development responsibilities (for both

ordained and lay ministry) as well as the work of our generous giving officers and work with children and young people.

- **Partnership Working**

Partnership working has customarily supported education where Parish Share has helped to resource the support of our clergy working in church and community schools. Partnership also includes areas of social responsibility through Together Newcastle, the work of Task Groups and has included our contribution to ecumenical work and interfaith. In 2021 and 2022 no provision is made for grants to the Board of Education or partnership organisations of NECAT, NIM and Alnmouth Friary.

- **Legal and Governance**

We have responsibilities with safeguarding training, policies and casework; we need to support the church planning process through the Diocesan Advisory Committee (DAC), and mission and pastoral activities through the Diocesan Mission & Pastoral Committee (DMPC). The Registrar's costs, other legal work and the contribution each diocese is required to make towards the Church of England's national responsibilities are included here.

- **Supporting a Growing Church**

All of the above priority areas need the support of finance, human resources, communications and administration. This budget area resources Church House which hosts meetings, training events, theological training as well as providing work space for diocesan officers.

8. The significant areas of expenditure are within Today's Ministry and Tomorrow's Church and the most significant cost within these budget areas is the payment of stipends, the monthly payment to our paid clergy.
9. In 2021 the average number of paid clergy in parish ministry is forecast to be 79FTE (2021 budget was 82.0FTE). The average number of paid curates in training is forecast to be 16.8FTE (2021 budget was 14.11FTE). The current deployment of paid ministry is set out at **ANNEX C**. This budget proposal will resource 82.0FTE paid parish posts (recognising recent appointments) and 18.5FTE paid curates in training.
10. There are 42 paid posts (14 full time and 28 part-time) which work across the five budget areas. The full-time equivalent is 28.44FTE (21.74FTE are fully funded from Share). These posts include administration, finance, property, safeguarding, communications and project work together with chaplaincies and ministry support (vocation, formation and training) (see **ANNEX D**).
11. Inflation changes have been built into the budget as follows:
 - Stipends and salaries +2.0% with effect from April 2022
 - CPI assumption of +4% in line with the Office for Budget Responsibility has been applied to housing costs, office costs, glebe property costs and legal and other fees.

Other changes for 2022 include the removal of the recruitment freeze for Children & Youth Team Leader and a part-time Human Resources Assistant.

12. A more detailed breakdown of the budget proposal is set out at **ANNEX E**.

Consultation with parishes

13. To help inform the budget planning for 2022 each parish was asked to respond to one of three statements about the expectations for Parish Share in 2022.
14. Responses were received from 132 parish share units. Of these, 3 did not feel able to provide a forecast expectation for 2022. As a result, and for those where a response was

not received we have estimated a Share figure for 2022. The results of the consultation were:

Statement A 49 parishes felt able to offer more than the 2021 offer

Statement B 68 parishes felt able to work towards a Share request at the 2021 level

Statement C 15 parishes felt they needed to lower their offer in 2021.

15. The total Share offered, including estimates, is £3,958,754. Given the responses received to date and the estimates we have considered, together with inflationary changes within the budget a minimum contingency of **£688k** will be required in 2022.

16. To provide this contingency the Board has already sold redundant property which was no longer required for supporting ministry.

Resolution

17. The Chair of the Board of Finance will move that the Synod, sitting as the Diocesan Board of Finance, resolve as follows:

(a) that the budget be approved; or

(b) that the budget be referred back to the Standing Committee

Canon Shane Waddle, Diocesan Secretary
November 2021



ANNEX A

DCC Secretary/DCC Treasurer
Parish of

6th October 2021

Budget 2022: consultation with [name] Church Council

I am writing to you to ask for the view of your District Church Council (DCC) about Parish Share for 2022 as we prepare a budget for the Diocesan Synod. Last year and this year have been very difficult for us all, and we appreciate the generosity and efforts made by our regular givers to support the work of the church in all our parishes. The Parish Share Review, carried out by Robin Brims, helped to shape the consultation for the 2021 budget and invited Church Councils to consider the contribution they felt able to offer in 2021 and which used the 2020 allocation as a baseline. We are repeating that process for 2022.

We all want the Church of England to be a growing church bringing hope, and there are many initiatives underway to address declining numbers and to help our over-stretched clergy. What we must seek to do in preparing a budget for 2022 is to maintain our presence in every community, a particular strength of the Church of England, but also to provide some support for new developments, without which decline is almost inevitable. In that light, we invite you to consider what contribution your DCC might make towards clergy and other costs in 2022.

Your DCC is therefore invited to help inform the diocesan budget planning for 2022 and to respond to paragraph 3 overleaf.

1. Reminder of budget arrangements in 2021

In agreeing the budget for 2021 the Diocesan Synod recognised the financial challenges parishes faced as a result of the Coronavirus pandemic. The Synod agreed arrangements to help parishes with parish share in 2021. This help was in the form of a contingency arrangement funded through the sale of property no longer required for ministry.

It meant that £653,540 of the £4,563,444 parish share request for 2021 was to be met from the contingency arrangement.

The amount of the contingency was informed from a consultation with Church Councils. Based on the Share request for 2020, each Church Council was asked to consider whether it could increase, hold or needed to reduce the Share in 2021.

The Synod was hugely appreciative of the generosity of parishes at such a critical time.

2. Your Parish Share offer in 2021

For 2021 your District Church Council offered £[enter sum].

In 2020 your District Church Council was allocated a Share request of £[enter sum].

At 30th September 2021 your District Church Council has contributed £[enter sum] towards Parish Share for 2021.

3. Consultation for 2022

The Coronavirus pandemic has continued to impact parishes in 2021 with government restrictions in place until the summer. 2022 is therefore seen as a transitional year as we all continue to recover in mission and ministry post the pandemic.

As a result, contingency arrangements will continue to be required to support the 2022 budget and we need your help to inform these arrangements.

The District Church Council (*or* Standing Committee) is asked to respond to one of the following three statements (a, b or c) about the expectations for Parish Share in 2022.

a) The DCC is able to increase its Parish Share offer for 2022.

The amount it feels able to offer is £_____.

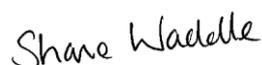
b) The DCC feels unable to increase its offer and will work towards the same Parish Share offer in 2022 that was offered in 2021.

c) The PCC feels it would need to lower its Parish Share offer for 2022 to £_____. In reaching this decision the PCC took the following factors into account _____

Your response will help us to finalise the budget proposal for the Diocesan Synod to consider in November. I look forward to your response and it would be helpful if, and I do appreciate the short timeframe, you could let me have that by **31 October**. You may return your response by post to Church House or by e-mail to info@newcastle.anglican.org

Thank you in advance for your help with this request.

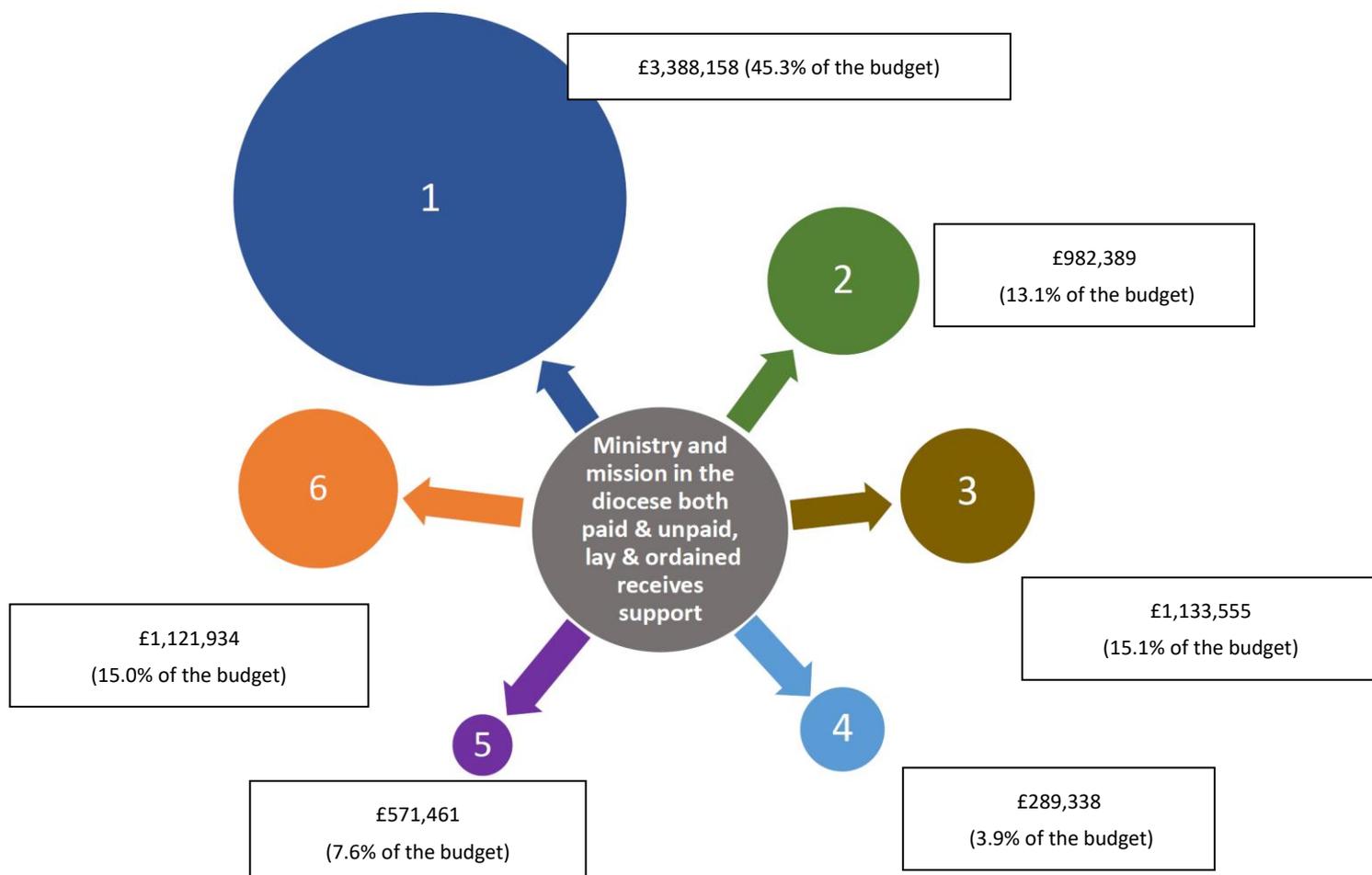
Yours sincerely



Canon Shane Waddle
Diocesan Secretary

ANNEX B

This is an extract from the Parish Share Review Group's Report. It sets out the cost of supporting ministry and mission in the Diocese. The size of the circles represents the proportion of the budget spent in each area. We have mapped the six areas to the proposed budget. In this example the overall budget is £7,486,835 (2021 was £7,131,667) with a Parish Share request of £4,496,184.



1. For those in paid ministry we need to pay a **stipend and pension contribution**.
2. For those provided with **housing** we undertake maintenance and repairs, refurbishments and staff our housing team.
3. **Training and future ministry** - staff to support vocation, discernment and post ordination training and our contribution to national training costs.
4. **Development** such as ministry development and staff to support ministry development.
5. **Resourcing** such as Children and Youth, Lay Development, Generous Giving, Social Justice, Task Groups.
6. **Admin & Legal:** Church House; finance; communications; safeguarding; buildings support DAC/DMPC; Human Resources; contributions to national Church.
of which 70% are support costs and 30% are governance and national costs

Paid ministry posts	2021 FTE	2020 FTE	Change
Funded by the Church Commissioners			
Bishop of Newcastle	1.00	1.00	0.00
Bishop of Berwick	1.00	1.00	0.00
Dean of Newcastle Cathedral	1.00	1.00	0.00
Residentiary Canons (Newcastle Cathedral)	2.00	2.00	0.00
Bishop's Chaplain and Adviser	1.00	1.00	0.00
<i>Sub total: funded by the Church Commissioners</i>	<i>6.00</i>	<i>6.00</i>	<i>0.00</i>
Posts funded from Parish Share¹			
Archdeacons	2.00	2.00	0.00
Training curates (stipendiary)	18.50	15.42	3.08
<i>Sub total diocesan posts funded from Share</i>	<i>20.50</i>	<i>17.42</i>	<i>3.08</i>
Alnwick Deanery	6.70	7.70	-1.00
Bamburgh & Glendale Deanery	4.00	4.00	-0.50
Bellingham Deanery	2.00	2.00	0.00
Corbridge Deanery	5.70	5.70	0.00
Hexham Deanery	7.00	7.50	-0.50
Morpeth Deanery	9.20	9.20	0.00
Norham Deanery	4.50	4.50	0.00
Bedlington Deanery	11.00	11.00	0.00
Newcastle Central Deanery	12.50	12.50	0.00
Newcastle East Deanery	9.00	9.00	0.00
Newcastle West Deanery	11.00	11.00	0.00
Tynemouth Deanery	14.00	14.00	0.00
<i>Sub total: parish posts funded from Share (see note 1)</i>	<i>96.60</i>	<i>98.10</i>	<i>-2.00</i>
Posts funded by other sources (time limited)			
Children & Families/Community Missioner	3.60	4.50	-0.90
Interim Minister Seaton Hirst	1.00	1.00	0.00
City Centre Chaplaincy	0.50	0.50	0.00
<i>Sub total posts partly funded by other bodies</i>	<i>5.10</i>	<i>6.00</i>	<i>-0.90</i>
Total paid ministry posts	128.20	127.52	0.18

Notes:

The table sets out the allocation/deployment of paid posts at 12th November 2021. This includes vacant appointments where decisions on future ministry are yet to be agreed.

Note 1: Of the **96.60FTE** parish posts funded from Parish Share the proposed budget will fund **82.0FTE**. The proposed budget therefore assumes a vacancy rate of **15%**. The parish clergy cohort and vacancy rate excludes House for Duty and self-supporting appointments and curates in training.

ANNEX D

Areas of work	Full-time posts	Part-time posts	2022 FTE	2021 FTE	Change
funded from Parish Share					
Diocesan Secretary	1	0	1.00	1.00	0.00
Finance & Accounting	2	1	2.48	2.48	0.00
Administration/Reception	1	3	3.22	3.22	0.00
DMPC & DAC	0	2	1.16	1.16	0.00
Property	2	0	2.00	2.00	0.00
Safeguarding	2	1	2.40	2.00	+0.40
Human Resources	0	2	0.80	0.40	+0.40
Communications (our half of joint team)	0	5	1.90	1.60	+0.30
Canon Director Mission & Ministry	1	0	1.00	1.00	0.00
Children & Youth Team	1	2	1.60	0.60	+1.00
Initial Ministerial Education (IME2)	0	1	0.50	0.50	0.00
Rural Affairs	0	0	0.00	0.30	-0.30
Adviser for Pioneer Ministry	0	0	0.00	0.17	-0.17
Lay Ministry Formation	1	0	1.00	1.00	0.00
Vocations	0	1	0.69	0.69	0.00
Interfaith & Ethnic Relations	0	1	0.49	0.49	0.00
Chaplain: Newcastle University	0	1	0.50	0.50	0.00
Caretaker (Church House)	1	0	1.00	1.00	0.00
<i>Sub total: posts funded from Parish Share</i>	12	20	21.74	20.11	+1.63
partly funded from other bodies					
Programme & Strategy Manager	0	1	0.80	0.80	0.00
Rural Churches for All	0	1	0.60	0.60	0.00
Continuing Ministerial Formation	1	0	1.00	1.00	0.00
Intern Ministry Officer	0	1	0.50	0.50	0.00
Chaplain: Northumbria University	1	0	1.00	1.00	0.00
Chaplain: Northumbria Police	0	1	0.50	0.50	0.00
<i>Sub total posts partly funded by other bodies</i>	2	4	4.40	4.40	0.00
fully funded from other sources					
Generous Giving	0	3	2.00	1.20	+0.80
Chaplain King Edward Morpeth	0	0	0.00	0.17	-0.17
Spirituality (see note 14)	0	1	0.30	0.30	0.00
<i>Sub total: posts funded from other sources</i>	0	4	2.30	1.67	+0.63
Total posts resourced through NDBF	14	28	28.44	26.18	2.26

Description	2021	2022	Difference £	Difference %
	Budget	Budget		
INCOME				
Parish Share:				
- Parish offers	£3,909,904	£3,958,754	£48,850	1.2%
- PLUS Diocesan Contingency Fund	£586,279	£537,430	-£48,849	-8.3%
- EQUALS Parish Share baseline	£4,496,184	£4,496,184	£0	0.0%
- Additional sum required to maintain budget deficit level		£150,340		
National Church:				
- Lowest Income Communities funding	£918,295	£999,986	£81,691	8.9%
- Transitional funding	£324,506	£257,152	-£67,354	-20.8%
- Restructure funding	£99,537	£77,394	-£22,144	-22.2%
- Other	£45,343	£73,006	£27,663	61.0%
TOTAL National Church	£1,387,682	£1,407,538	£19,856	1.4%
Grants	£263,156	£263,156	£0	0.0%
Other donations	£95,837	£237,795	£141,958	148.1%
Clergy fees	£288,186	£288,186	£0	0.0%
Chaplaincies	£58,225	£54,879	-£3,346	-5.7%
Rental of houses	£221,766	£369,715	£147,949	66.7%
Rental of offices & Glebe rents	£57,767	£60,760	£2,993	5.2%
Investment dividends & bank interest	£100,455	£100,455	£0	0.0%
TOTAL INCOME	£6,969,258	£7,429,008	£309,411	4.4%
EXPENDITURE - Resourcing Parish Ministry				
Clergy stipend & NI	£2,883,355	£3,052,258	£168,903	5.9%
Clergy pension	£1,032,238	£1,064,090	£31,852	3.1%
Housing costs	£615,401	£640,017	£24,616	4.0%
Council tax & water	£46,798	£47,500	£702	1.5%
Appointment & relocation grants & removals	£146,280	£146,280	£0	0.0%
Training & development - Parish Ministry	£112,173	£112,173	£0	0.0%
Activities & expenses - Parish Ministry	£8,750	£58,750	£50,000	571.4%
TOTAL Resourcing Parish Ministry	£4,844,995	£5,121,068	£276,073	5.7%
EXPENDITURE - Support for Ministry				
Staff salary, NI & pension	£1,259,501	£1,432,128	£172,627	13.7%
Activities & expenses - Support	£148,186	£168,603	£20,417	13.8%
Training & development - Support	£3,720	£3,720	£0	0.0%
Office costs	£210,852	£219,286	£8,434	4.0%
Legal & other fees	£129,590	£130,854	£1,264	1.0%
Governance costs	£12,335	£12,335	£0	0.0%
TOTAL Support for Parish Ministry	£1,764,184	£1,966,926	£202,742	11.5%
EXPENDITURE - Other				
Partnership working	£34,000	£34,000	£0	0.0%
Contributions to National Church	£454,075	£410,431	-£43,644	-9.6%
Glebe property costs	£14,250	£14,820	£570	4.0%
Houses rental costs	£20,162	£44,172	£24,010	119.1%
TOTAL Other Expenditure	£522,487	£503,423	-£19,065	-3.6%
TOTAL EXPENDITURE	£7,131,666	£7,591,417	£459,751	6.4%
FUNDS TRANSFERS IN	£81,653	£81,653	£0	0.0%
SURPLUS/(DEFICIT)	-£80,755	-£80,755	£0	