

# DBF FINANCE REPORT

## INTRODUCTION

This report is intended to give a summary of the DBF finances for 2014 and an outline of expectations for future years. If you would like more detailed information on Diocesan finances and the work of the Diocesan Board of Finance please contact me at the Diocesan Office.

Additional copies of this report and a full set of accounts for 2014 are available on request.

Paul Glover  
Diocesan Secretary

## THANK YOU

*The Monmouth Diocesan Board of Finance would like to thank all parishes who, year after year, pay their Parish Share conscientiously and on time.*

*And this year we give special thanks to four parishes who have donated their 5% rebate to other parishes in greater need.*

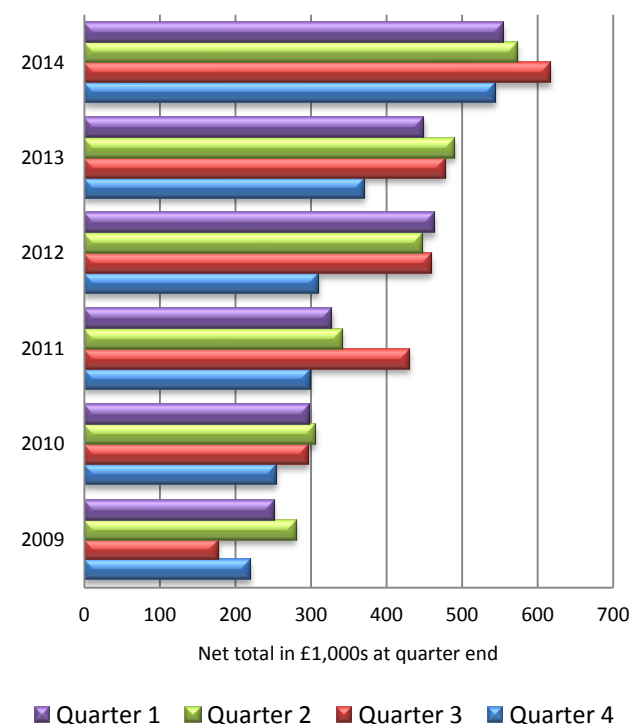
## LOOKING BACK TO 2014

### Diocesan Board of Finance (DBF) Income 2014

The total budgeted income was **£3.69m**. The actual income received within the accounting period was **£3.24m** with a significant shortfall of **£440k** in Parish Share due for collection in 2014. If we add to that the amount of Share still outstanding for prior periods, the total uncollected Share at 31 December 2014 stood at **£544k**.

As a result of the high level of outstanding payments to the DBF the trustees agreed to make a bad debt provision of **£400k** in their accounts for 2014.

## Outstanding Parish Share

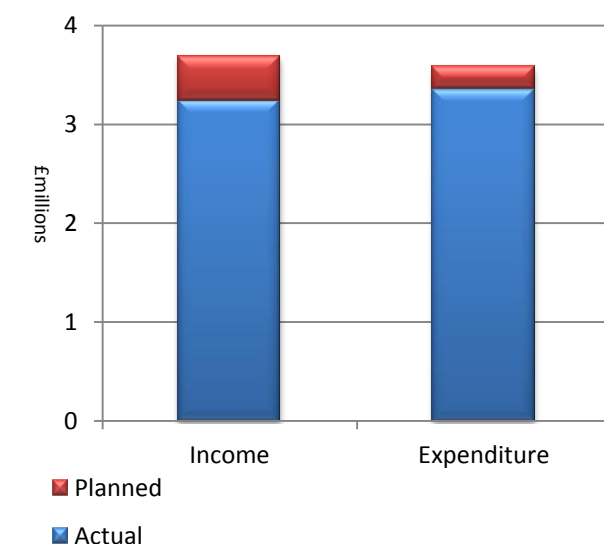


## What the DBF spent in 2014

In 2014 the DBF budgeted to spend **£3.59m** and actually spent **£3.36m**, approximately 6% less than budget. The cost of ministry was **£191k** less than budget as decisions were taken to reduce the number of stipendiary clergy in the light of the shortfall in Parish Share collections.

Despite the reduced number of clergy and savings in other areas the expenditure in 2014 exceeded the income by **£120k**.

## Income and Expenditure for 2014



In order to understand and address the problem of outstanding Parish Share the DBF set up a sub-committee to consider changes for the future.

The group analysed the numbers, consulted with parishes through a series of focus groups and questionnaires and benchmarked other systems of Parish Share in dioceses in Wales and England.

The first decision of the committee was to offer a **5%** rebate to parishes for on-time payment of share by standing order. **70%** of our parishes have now taken advantage of this scheme and will save a total of **£90k** in 2015 and at the same time increase the cash-flow to the DBF (at the end of Q2, 2015 the outstanding share was **£143k** less than at the end of Q2, 2014).

The sub-committee has now recommended a new Ministry Share scheme to take into account the new Ministry Area structure and the difficulty that many parishes have had in meeting their current commitments.

An outline of the Ministry Share scheme will be given at the conference and opportunities will then be given for representatives from Ministry Areas and Parishes to meet with Diocesan Officers to discuss Ministry Share arrangements for future years.

Some Ministry Areas will be operational in 2016 and able to be part of the new scheme, whilst others are in a transitional phase and will need bespoke arrangements. In any case, no Parish will be asked to contribute more in 2016 than was requested in 2014.

## LOOKING FORWARD

The DBF's budget supports the proposed mission strategy of the Diocese, to be structured around 3 Archdeaconries and 27 ministry areas.

For the next few years the Diocese will continue to reduce the number of stipendiary clergy with a target of 54 stipends in 2016 and 50 in 2018 (plus 18 House for Duty clerics). The number of non-stipendiary clergy and licensed lay ministers will increase in support of the ministry area leaders.

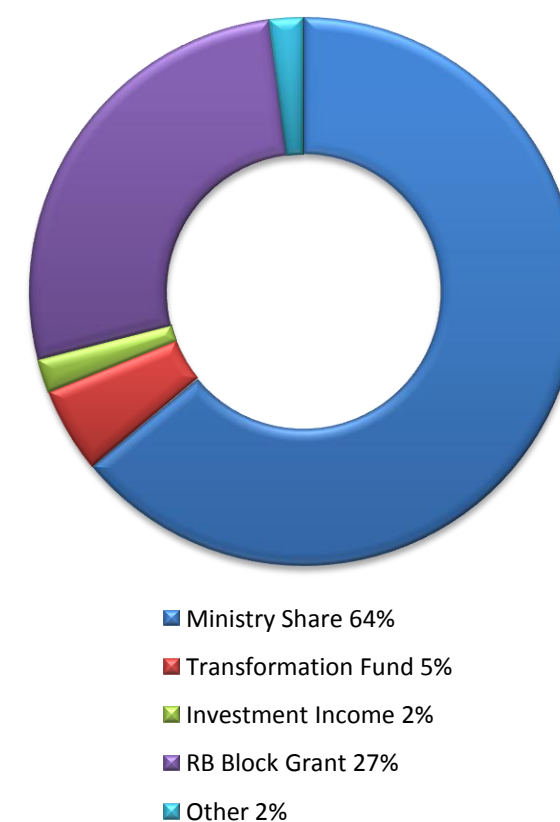
During the development of Ministry Areas the Representative Body has made additional funds available for training (clergy and laity), administration, database

and IT infrastructure, stewardship, care of churches, children/youth/families and pioneer ministry. The Diocese of Monmouth is receiving **£160k** p.a from the RB in the years 2015-17 in addition to the "Block Grant" of **£940k** p.a.

Despite the extra funding for specific transformation activities the DBF has had to identify cost savings in order to balance the projected income and expenditure.

The trustees have also agreed to allocate a further **£250k** for exceptional expenditure in implementing the new strategy.

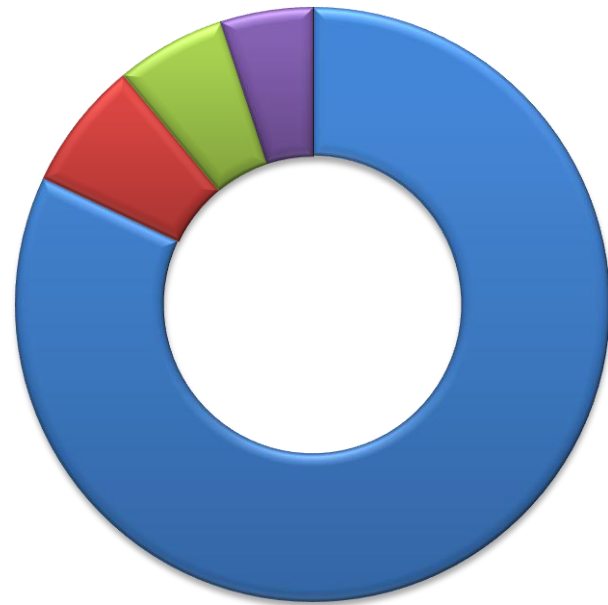
## 2016 Income



The total DBF income for 2016 is budgeted to be **£3.43m** of which Ministry Share contributes **£2.20m**. The RB will contribute **£940k** in block grant and **£160k** from the transformation fund. Investment income will increase to **£70k** as the DBF investment manager will be asked to work towards a "total returns" policy. The total DBF expenditure for 2016 is **£3.43m** (essentially a break-even budget following 2 years of losses).

The planned expenditure includes **£2.66m** for clergy and parish ministry and reflects the reduced number of stipends and funded parsonages but includes a stipend increase of 1.8%, in line with other clergy in the Church in Wales.

## 2016 Expenditure



- Ministry 82%
- Ministry Area Support 7%
- Governance & Communications 6%
- Transformation 5%

In summary, in 2016, for every £10.00 of income the DBF receives it will spend:

- **£8.20** on Ministry costs
- **70p** on Ministry Area support
- **50p** on Transformation activities
- **60p** on Charity Governance & Communications

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## THE DIOCESAN BOARD OF FINANCE (DBF)

The full Diocesan Board of Finance comprises both elected and ex-officio members. It meets once a year to receive the Diocesan Annual Accounts, to approve auditors and a Secretary/Treasurer for the coming year, and to elect new members to the Executive Committee of the Diocesan Board of Finance, which meets on a quarterly basis.

A full list of members is available from the Diocesan Office.

**The Executive Committee of the Diocesan Board of Finance** comprises members of the full DBF, both elected and ex-officio. The Committee meets quarterly to monitor and review the finances of the Diocese. From July 2015 the members of the Executive Committee are:

### Ex-officio members

- Mr Peter Lea (Chairman)
- Mr Richard Harbottle (Vice Chairman)
- The Bishop of Monmouth
- The Dean of Monmouth
- The Archdeacon of Newport
- The Archdeacon of Monmouth
- The Diocesan Registrar
- The Chairman of the Parsonage Board

### Elected members

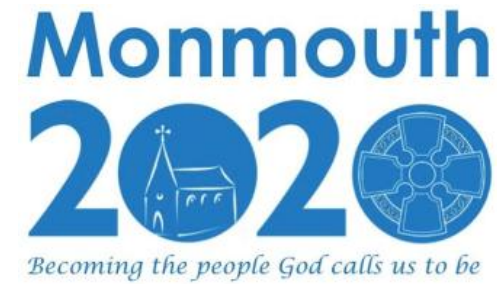
- The Reverend Jeremy Harris (Area Dean of Netherwent)
- The Reverend Timothy Clement (Area Dean of Raglan & Usk)
- The Reverend David Neale (Area Dean of Newport)
- The Reverend Mark Soady (Area Dean of Abergavenny)
- Mr Julio Benavides
- Mr R D (Sandy) Blair
- Miss Paulette Brown
- Mr George Hughes
- Mr Philip Masters
- Mr Christopher Wray

### Secretary & Executive Officer

- Dr Paul Glover  
Tel 01633 216092  
Email: [paulglover@churchinwales.org.uk](mailto:paulglover@churchinwales.org.uk)

### Treasurer

- Mrs Sharon Smith  
Tel: 01633 216093  
Email: [sharonsmith@churchinwales.org.uk](mailto:sharonsmith@churchinwales.org.uk)



# MONMOUTH DIOCESAN CONFERENCE 2015

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# MONMOUTH DIOCESAN BOARD OF FINANCE

