



## Diocesan Synod

### 2021 Budget

The Chair of the DBF to move that the consolidated budget for 2021 now be considered and that:

**“this Synod approve the total 2021 budget expenditure of £25.32m which is based on total 2021 budgeted income of £22.53m.”**

1. The Diocesan Council of Trustees (DCT) approved the draft budget for recommendation to the Synod at its meeting on 14 November. The Policy and Finance Committee (PFC) in October had also scrutinised and recommended the draft budget to the DCT.
2. The budget and 3-year plan (which will be presented in depth using PowerPoint) is deliberately cautious. Since October, the Parish Support Fund continues to exceed expectations for both 2020 delivery and 2021 pledges, so the budget for 2021 is improved and has been amended since the PFC and the DCT as it is based on 2020 forecast outturn. Synod members will see that there is a planned deficit in 2021. Synod members will see from the PowerPoint on Saturday that the deficit reduces substantially in 2022 with a recovery to a close balanced budget by the end of 2023 all in the light of recovery from Covid-19 and bearing fruit for the Southwark Vision’s growth objectives.
3. As in previous years there will be a very full PowerPoint presentation including budget assumptions presented on Saturday and will be subsequently sent after the meeting.
4. The *best-case* scenario for the 2021 budget, as a whole, would be a return to 2020 budget levels for PSF, investment income and property gains. At present investment income and property gains remain at the level of the 2020 forecast outturn.
5. From 2017 the Diocese has been committed to Southwark Vision, through to 2025, and the budget and three-year plan continues to maintain confidence in Southwark Vision. It is based on the assumption that had it not been for the Covid-19 pandemic there would have been greater progress with SDF2 and with the pioneering ministry initiatives developed with hub and resourcing churches.
6. Policies are being developed understanding the need for long term financial modelling to undergird ministry, mission and affirm parish ministry, which is the bedrock of the partnership the Diocese has with parishes; to seek greater diversity in ordained and lay ministries, and pay close attention to the pipeline for lay and ordained ministries. Developing innovative ministries is already underway.
7. The generosity of our parishes and the resilience of the PSF model is evidenced by the comparative strength of Southwark’s giving compared to neighbouring dioceses and led to the Diocese being asked to contribute ideas to the National Church. Southwark is anticipating a delivery of parish share (PSF) of 96% by year end, which is a further improvement on the earlier September forecasts. Our parishes have been magnificent in honouring their 2020 pledges; being creative and encouraging giving despite facing the

challenges of reduced hall income and other COVID-related issues. The Diocese of Southwark was placed second in the National Church Parish Share Collection Report in October. Bishop Christopher commented on Southwark’s placement, “*This is a tribute to the labours of all those who have worked so hard in our Diocese, including our Diocesan Officers working closely with archdeacons, and the commitment of our parishes, clergy and church officers, to hold faith with our common Vision. This has been so encouraging*”.

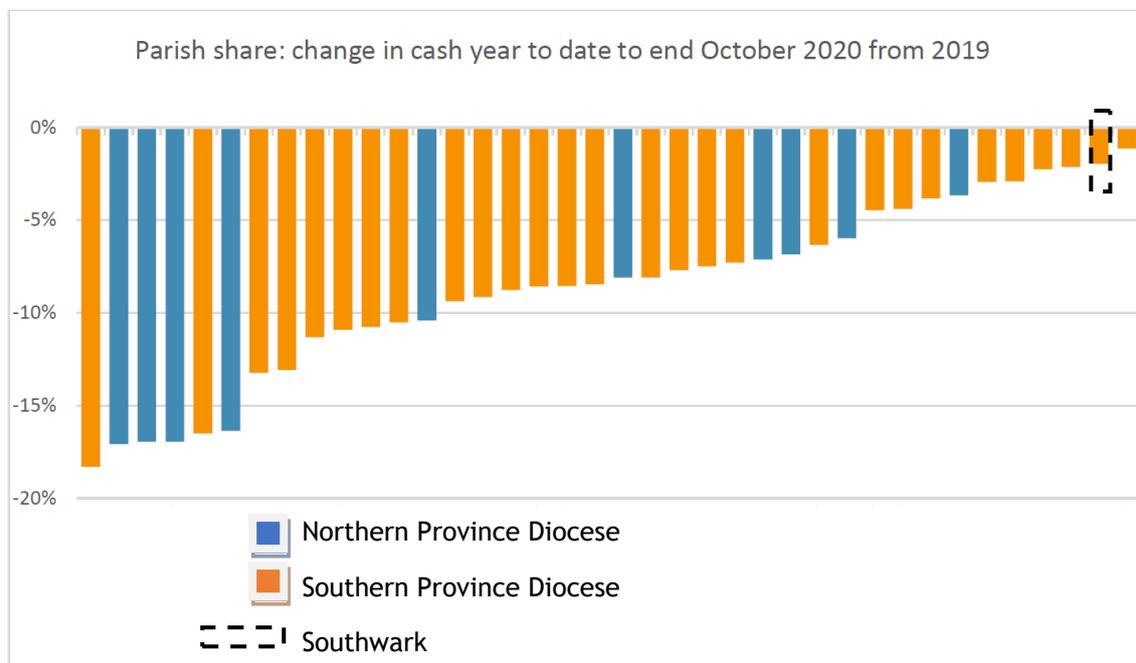


Chart 1: Change in parish share cash received for the year to end October 2020 from October 2019

8. The partnership with parishes continues to bear fruit in the delivery of pledges for 2021 which gives us confidence that whilst the Diocese has seen a modest decline, the care and attention given by parishes to their pledges, working closely with Diocesan officers, Deanery leadership and Archdeacons, provides both a detailed knowledge of parish financial well being and a model of mutual accountability for the Diocese.
9. The Chair of the DBF to move that the consolidated budget for 2021 now be considered and that:
 

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The Diocesan Secretary

December 2020

**Budget 2021****Incoming Resources**

	2021 Budget	2020 FY Forecast (as at 30/9/20)
Parish Support Fund	15,394,000	15,608,000
Parochial Fees	354,000	254,000
Grants received	3,155,000	3,564,000
Investment Income	968,000	1,023,000
Property Income	772,000	791,000
Other income	883,000	812,000
Property gain	1,000,000	1,416,000
<b>Total Incoming resources</b>	<b>£22,526,000</b>	<b>£23,468,000</b>

**Resources Expended**

Clergy Costs	12,542,000	12,700,000
Property Costs	3,559,000	3,316,000
Vocations	988,000	1,096,000
Ministry & Discipleship	336,000	264,000
Wychcroft	276,000	251,000
Mission	391,000	439,000
Strategic Development	777,000	309,000
Area Mission & Office Costs	798,000	783,000
Safeguarding	359,000	343,000
Justice Peace & Integrity of Creation	147,000	95,000
Communications	300,000	358,000
Establishment	400,000	326,000
IT	449,000	378,000
Administration	1,731,000	1,656,000
Human Resources	230,000	303,000
Board of Education	352,000	351,000
Contributions to National Church	1,689,000	1,585,000
	<b>£25,324,000</b>	<b>£24,553,000</b>

## 2021 Capital Plan

	Total 2021	Total for existing projects to 31/12/20	Grand total
<b>Sale Proceeds</b>			
Property sales	9,984,000	1,667,000	11,651,000
<b>Total Sale Proceeds</b>	<b>9,984,000</b>	<b>1,667,000</b>	<b>11,651,000</b>
<b>Costs</b>			
Purchase of property	4,700,000	-	4,700,000
Construction	670,000	-	670,000
Professional fees	493,000	30,000	523,000
<b>Total Cost</b>	<b>5,863,000</b>	<b>30,000</b>	<b>5,893,000</b>
<b>Net Income</b>	<b>£4,121,000</b>	<b>£ 1,637,000</b>	<b>£5,758,000</b>