



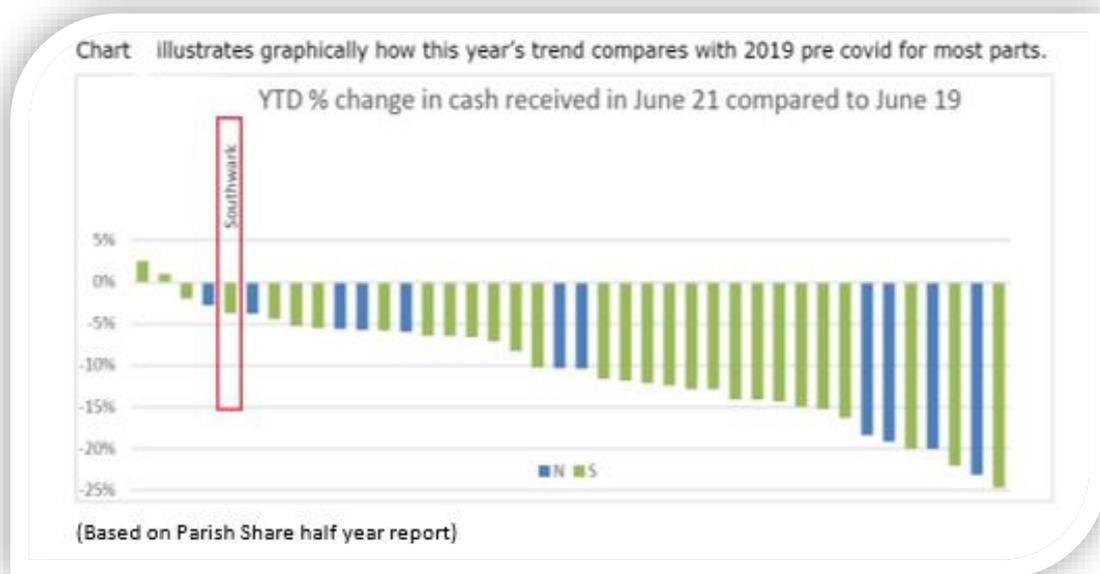
Diocesan Synod

2022 Budget

The Chair of the DBF to move that the consolidated budget for 2022 now be considered and that:

“This Synod approve the total 2022 budget expenditure of £26,246,000 which is based on total 2022 budgeted income of £25,108,000.”

1. The Diocesan Council of Trustees (DCT) approved the draft budget for recommendation to the Synod at its meeting on 16 October 2021. The Policy and Finance Committee (PFC) in September has also scrutinised and recommended the draft budget to the DCT.
2. The 2022 budget and forward plan (which will be presented in depth using PowerPoint) shows an improved position from that presented as a forward view to Synod in December 2020. The budgeted deficit for 2022 is £1.1m, compared to the forward view of a deficit of £1.9m.
3. The budget for 2022 also reflects the significantly improved forecast for the end of 2021. Partly due to the pandemic some expenditure could not take place earlier in the year and costs have been controlled carefully as we sought to be cautious. Costs remain well controlled, some 3% under budget as at the end of September 2021. On the income side we benefited from a stronger property market than we anticipated, both in rentals and in sale of property. We also had a totally unexpected additional windfall grant from Trust for London which has made a significant difference to 2021 but as the windfall is a one off it means we expect our planned deficit to continue next year albeit at a reduced level.
4. The generosity of our parishes and the resilience of the Parish Support Fund (PSF) model is evidenced by the very high collection rates for pledges, currently running at over 98% in 2021. Our parishes have been magnificent in honouring their 2021 pledges; being creative and encouraging giving despite facing the uncertainties around hall income as we emerge from Covid-19 lockdowns.
5. According to the Parish Share half year report in aggregate the 40 mainland dioceses have experienced a fall of 10.1% in cash received in the first half of 2021 in comparison to the same period two years ago. Southwark is one of seven dioceses who have had a fall of less than 5%.



6. During 2021 the resilience of the Diocesan finances has been further secured by the planned repayment of the large Diocesan loan to one parish and the reinvestment of the £1.5m of investments withdrawn in 2020 to support our core costs during the pandemic.
7. We will continue to provide a financial update to Synod at each meeting during the 2022-2023 period. The considerable turbulence in the economy and wider society means we are focusing on achieving a return to 2019 levels of the PSF by the end of 2023, so the 2021-2023 period continues to focus on recovery of finances for our parishes and the Diocese.
8. The projection for 2023 is a deficit of £0.6m compared to the forward view of a £0.7m deficit. These outline budgets will be reviewed in the light of the out-turn for 2021 and subsequent performance in 2022 as we aim to bring finances back into balance by 2024.
9. As in previous years there will be a full PowerPoint presentation including budget assumptions presented at Synod, which will be subsequently circulated to all members.
10. From 2017 the Diocese has been committed to Southwark Vision, through to 2025, and the budget and forward 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 Strategic Development Fund 2 (SDF2) and with the pioneering ministry initiatives developed with hub and resourcing churches.
11. The 2022 budget and 2023 outline budget plan provide a medium-term perspective. In addition, we use long-term financial modelling to guide us as we undergird ministry, mission and affirm parish ministry, which is the bedrock of the partnership between the Diocese and parishes.
12. The partnership with parishes continues to bear fruit in the delivery of pledges for 2022. Though, in order to put operating finances on a stable footing, we need to grow the PSF back to pre Covid-19 levels by 2023.
13. The Chair of the DBF to move that the consolidated budget for 2022 now be considered and that:

“This Synod approve the total 2022 budget expenditure of £26,246,000 which is based on total 2022 budgeted income of £25,108,000.”

The Diocesan Secretary

November 2021

Budget 2022	2022	2021
	Budget	FY Forecast
	£	(as at 30/9/21)
		£
Incoming Resources		
Parish Support Fund	15,772,052	15,526,438
Parochial Fees	398,096	378,262
Grants Received	3,810,269	4,461,026
Investment Income	1,000,317	996,924
Property Income	834,820	899,807
Other Income	892,840	933,643
Property Gain	2,400,000	1,646,558
Total Incoming Resources	25,108,394	24,842,658
Resources Expended		
Clergy Costs	12,935,043	12,976,011
Property Costs	3,450,291	3,574,404
Vocations (Ordained)	843,436	838,978
Ministry & Discipleship	392,338	293,340
IME2	65,196	53,918
Wychcroft	281,788	216,012
Mission (Including JPIC)	505,230	494,191
Strategic Development	637,147	363,653
Fresh Expressions and Pioneering	236,596	187,453
Area Mission & Office Costs	813,133	734,434
Safeguarding	336,451	411,108
Communications	292,416	229,391
Office Buildings	377,676	352,269
IT	430,184	440,026
Administration	1,756,695	1,569,342
Human Resources	233,625	220,785
Board of Education	355,318	351,800
Contributions to National Church	1,802,992	1,689,260
Contingency	500,000	
	26,245,556	24,996,375

2022 Capital Plan

	Total 2022 £	Total for existing projects to 31/12/21 £	Grand total £
Sale Proceeds			
Property Sales	7,875,000	6,692,225	14,567,225
Total Sale Proceeds	7,875,000	6,692,225	14,567,225
Costs			
Purchase of Property	4,600,000		4,600,000
Construction		200,000	200,000
Professional Fees	102,000	65,610	167,610
Total Cost	4,702,000	265,610	4,967,610
Net Income	3,173,000	6,426,615	9,599,615