

## DIOCESAN SYNOD

Title: **TOWARDS FINANCIAL RESILIENCE**

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### **I. CONTEXT**

Maureen Cole and I presented a paper “Financial Resilience in the light of Covid-19” to Finance Committee on 12 May 2020 outlining our initial response to the huge financial challenges we now face. This was unanimously approved together with establishing a **Finance Task Group** of Trustees and Executives to enable timely decision making and action (with prompt reporting of decisions to the Finance Committee).

This paper sets out the four strands of work that are being established in response to:

- a) our continuing budget deficit
- b) the underpayment of parish share, and
- c) the current decline in income as a result of COVID-19.

### **2. SECURING OUR CASH RESILIENCE**

This work is being coordinated by the Interim COO and includes:

- a) Managing the use of appropriate grants and loans being made available by the Church Commissioners, such as the provision of a loan equivalent to the cost of 3 month’s stipends.
- b) Building our cash reserves to meet Charity Commission recommendations to hold sufficient cash to cover three months’ expenditure.
- c) Where possible, repurposing some currently restricted or designated funds (eg Closed Churches, Mission Opportunities and the All Churches Trust Grant) to support the payment of stipends through the general fund.
- d) Handling the sale of investments as necessary.

### **3. REVIEWING OUR BUDGET PROCESS AND SHARE SCHEME**

This work is being coordinated by the Interim COO and further details are in paper DS(20)05 “Parish Share and Budget 2021 Proposal”.

### **4. STEWARDSHIP AND PARISH RESILIENCE**

This work is being coordinated by a Stewardship Strategy Task Group chaired by the Archdeacon of Barking. This group will work with the three Area Mission and

Ministry/Stewardship/Development Advisers to develop and implement a strategy to deepen engagement. Areas under consideration include:

- a) **Researching** the short and long-term impact of COVID-19 on the financial resilience of parishes and new church communities, and to make an assessment of how they have responded to the challenge of moving from Subsidy to Sustainability.
- b) **Promoting** the call for generosity and sacrificial giving as a fundamental part of discipleship, working with the MMAs and parish clergy over the next 12 months to deliver a differentiated and targeted series of interventions to encourage cultural change and deeper giving.
- c) **Promoting** the use of the Parish Giving Scheme and exploring other opportunities for parishes to strengthen and broaden their financial stability.

## 5. REDUCING EXPENDITURE

This work is being coordinated by the Interim CEO and includes:

- a) **Maximising the use of Government support.** We have already furloughed some DBF employees including: front of house staff and some of the Education Team plus staff at Pleshey and in our three Sparrows settings. The Retreat House at Pleshey will apply for the £25k grant to support the hospitality sector.
- b) **Reducing Parochial Stipendiary Posts.** We are already planning to reduce stipendiary incumbent posts to 215 by 2025 and, last year, recommended reducing this number to 202 for affordability reasons following the loss of Darlow funding. Finance Committee have agreed that we should bring forward the implementation of these reductions from 2025 to the end of 2021. Specific proposals to start this work are set out in paper DS(20)06
- c) **Housing.** We plan a more pro-active approach to rental of vacant houses and are exploring how further cost savings can be made.

In recent years, we have adopted a policy of purchasing curate houses on mortgage. This has not been possible in 2020 and will not be sustainable in future years. We will make use of existing nearby housing stock or consider rental where no suitable existing property is available.

- d) **DBF Staffing and Operations.** The last major review of DBF staffing took place in 2012 when we increased archidiaconal capacity and reduced adviser posts. A further review is now appropriate in the light of reducing stipendiary clergy numbers to determine the range of services that are now necessary and affordable. Wherever possible, recruitment for existing vacancies are being delayed or reduced.
- e) **Reviewing Stipendiary Curacy numbers and duration.** We used to aim to appoint about 12 stipendiary curacy posts per year and are proud that this has increased to 16 as we have supported the national vocations drive. We currently receive national funding for 2 of these additional posts.

The time is now right to reconsider the number of stipendiary curates we will need to maintain incumbent numbers as well as the length of curacies and the possibility of

placing curates towards the end of their training to support vacant parishes.

We do not plan to furlough stipendiary curates in order that training and formation continues. And we recognise that many of our curates have been in the forefront of applying technology for 'church at home'.

- f) **Limiting Ordinand training pathways.** We receive a grant for each ordinand in training that varies by age. In the current climate, we plan to stop topping up these grants which can allow some older candidates to train either for longer and/or residentially.
- g) **Anything else?** We will welcome Synod's suggestions for other avenues to explore.

## 6. RECOMMENDATION

Diocesan Synod is invited to NOTE this paper.