

## Finance Report Full version

### 1. Introduction

**This report outlines our financial situation, future needs and commitments, as well as information on how to respond to our *Partnership* campaign.**

We are very grateful to the Finance team in the church family for their tremendous hard work on our behalf.

As the gospel advanced and the New Testament church grew, it faced decisions about its finances. In response it looked for people 'full of the Spirit and wisdom' (Acts 6:3) who could take responsibility for this vital area of its life. It's a reminder that both our resources and how we administer them are spiritual issues, about which we should pray and seek God's wisdom. There is nothing unspiritual about money! While some are set aside to help us with our financial planning, the issue of money is one for us all. It's central to our partnership in the work of the gospel.

Despite continued challenges and uncertainties, it is an exciting time as we welcome new members to All Saints, as ministries reopen and as we push ahead with new ways of reaching those around us. These all have significant financial implications for us. And it is part of our 'family life' as a church to think and pray about what part we can play in this.

**Steve Nichols** Vicar

### 2. Summary

Looking first at 2021, the impact of Covid-19 that was initially felt in 2020 continued to affect the church's finances. The 2021 budget had been set on the assumption that church activities would broadly return to normal. As is now clear this wasn't the case and many of our 2021 expenditure plans remain unfulfilled. This means that the budgeted 2021 shortfall is unlikely to materialise and instead, in broad terms a small surplus is now expected to be achieved.

For 2022 however we continue to plan on the assumption that church activities will return to normal. We had indicated in last year's Stewardship documents that to continue to operate on this basis an increase in giving of 5% would be sought in 2022. Having now reviewed in detail our expenditure plans for 2022 we believe that this remains a valid basis on which to proceed.

Below we have outlined how the 2022 5% giving request has been derived, focusing first on what the expenditure plans for 2022 are and then explaining how it is proposed that such expenditure should be financed. Finally we take a longer term look at how we anticipate income and expenditure developing over a 3-year period.

### 3. 2022 expenditure budget

For the reasons mentioned above, actual 2021 costs (£557,000) are now forecast to be significantly below the original budget (£600,000). It may therefore be more helpful to compare the 2022 budget with the 2021 budget rather than 2021 actual costs.

A budget of £636,000 has been agreed by the PCC for 2022, representing a 6% increase on the 2021 budget. The major items are set out in Table 1 below.

The main reason for the uplift in costs is the **planned increase in staff costs** of £33,000. The principal element arises from a salary review carried out by the Staff Resourcing Group under the authority of the PCC. The objective of this review was to examine the robustness and equity of the existing salaries mechanism for our staff team. On the basis of the review it is anticipated that a number of changes to staff salaries will be made and an estimated provision has been allocated in the 2022 staff costs budget. The PCC believes that such an investment in people is necessary to ensure that, going forward, the staff

**TABLE 1**

2022 Budget as agreed by PCC

	2022 Budget	2021 Budget	Change
Parish share/clergy costs	£157,000	£153,000	+3%
Staff costs	£221,000	£188,000	+13%
Direct ministry & church running costs	£118,000	£125,000	-6%
Mission	£84,000	£84,000	0%
Fabric	£56,000	£50,000	+12%
<b>Total</b>	<b>£636,000</b>	<b>£600,000</b>	<b>+6%</b>

team are rewarded on a basis that clearly and fairly reflects their skills, responsibilities and commitments. It also reflects their contribution to All Saints, both in developing its ministry to all people across a wide range of areas but also in providing the whole church with the necessary administrative support to enable it to run and carry out its ministry on a day to day basis.

It should also be noted that there is a modest increase of £6,000 in the transfer to the **Fabric Fund**. This reflects a continuation of our prudent policy of providing for essential, ongoing repairs to the church buildings and has resulted in Fabric Fund reserves being built up to just over £250,000. However, you are likely to be aware that part of the Tiger roof needs replacing. The appointed project adviser considers that the work can now be deferred until 2026. This will give us time to raise the necessary funds for this substantial and important project where the present cost estimate is in the order of £500,000. Our anticipated future Fabric Fund balance will not cover the cost of the project in full and therefore in conjunction with any grant applications it is highly likely that we will be launching an appeal to enable the work to be undertaken.

With regard to **Mission** no major change is anticipated in All Saints' financial support for mission activities in 2022 when compared to 2021. However, the Mission Development Group has been working on a number of policies to make sure that our mission giving is more focused and thereby more effective. Five of our existing mission partners will be receiving significant increases in their support because we want to strengthen our links with them and see their work grow and bear much fruit.

Other changes to budgeted expenditure are relatively small but the Appendix provides more detail and commentary on these items.

## 4. 2022 forecast income

We are blessed by expecting to achieve our 2021 forecast income of £565,000, primarily due to an 8% increase in giving by the congregation but also because the number of givers in 2021 has remained stable. If this income level was maintained in 2022 a shortfall of £71,000 would nonetheless arise in 2022 when compared to budgeted expenditure of £636,000.

To finance this shortfall it is proposed that a mixture of sources are used as follows:

a) To seek a **5% increase in giving** from the congregation – equivalent to approximately £25,000. This is consistent with the projection and plans set out in the 2020 Stewardship documentation.

b) To utilise **General Fund reserves** of £36,000. Our reserves continue to exceed the level required by our policy of retaining two months expenditure. This is due in part to the reduced expenditure from the closure of the church in 2020 and 2021. The PCC considers it appropriate that this excess in General Fund reserves should be utilised in 2022. After the use of this excess, General Fund reserves will remain at approximately £100,000 which is consistent with our policy.

c) To utilise **Legacy Fund monies** of £10,000. The Legacy Fund has benefitted from three large donations in 2021 and now stands at £160,000.

## 5. Three-year view: 2022 to 2024

Looking further ahead, and assuming moderate cost inflation and no significant plans for expansion, it is essential that we continue to reduce the shortfall between regular income and expenditure. **It is currently anticipated that further increases in giving of 5% will be required in 2023 and 2024.** The PCC is aware of the ongoing financial demands on the church family and it is hoped that at least part of this increase can be derived from an increase in the number of givers who have not made a pledge as part of the Stewardship process. In addition, to limit the required increase in giving to no more than 5% the PCC plans to continue to make use of the Legacy Fund in order to meet the balance of the shortfall.

**An overview if the period 2021 to 2024 is shown numerically on the table on the following page.**

By the end of 2024/early 2025 it is forecast that the church will be broadly in a position where:

- Income is set to equal expenditure;
- General Fund reserves are in line with policy; and
- Whilst a large element of the Legacy Fund has been utilised there remains a balance of £105,000 in the Legacy Fund which is available to the church to carry out its vision as determined by the PCC.

**TABLE 2**2021-2024  
Budget Forecast

	2021	2022	2023	2024
Income	£565,000	£590,000	£620,000	£650,000
Expenditure	- £557,000	- £636,000	- £650,000	- £665,000
<b>Net</b>	<b>£8,000</b>	<b>- £46,000</b>	<b>- £30,000</b>	<b>- £15,000</b>
Use of General Reserves	£0	£36,000	£0	£0
Use of Legacy Funds	£0	£10,000	£30,000	£15,000
<b>Net</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

## Appendix Detailed 2022 Expenditure Budget

		2022 Budget	Notes
Parish share	Clergy costs	128,000	1
	Diocesan & National Church costs	29,000	2
		<b>157,000</b>	
Staff costs	Salaries	196,000	3
	Pension contributions	15,000	
	Employer's National Insurance	10,000	
		<b>221,000</b>	
Direct Ministry & Church running costs	Direct Ministry, including Local Outreach	25,000	4
	Clergy housing costs	24,000	5
	Clergy/staff expenses	8,000	6
	Training	8,000	7
	Charitable donations	5,000	
	Insurance	9,000	
	Utilities	16,000	8
	Photocopying	7,000	
	Professional fees	4,000	9
	Other church & office running costs	12,000	10
		<b>118,000</b>	
Mission		<b>84,000</b>	
Fabric		<b>56,000</b>	
<b>TOTAL</b>		<b>636,000</b>	

**1. Clergy costs** This covers the stipend and pension arrangements of the three clergy along with a charge for the use of the Vicarage made by the Diocese.

**2. Diocesan and National Church costs** These costs cover the costs of training ordinands/curates (£11,000), Diocesan ministry and overhead costs (£15,000) and a contribution to the National Church (£3,000).

**3. Salaries** These are the costs of the 10 full and part-time staff employed by the church.

**4. Direct Ministry inc. outreach** These are the specific costs incurred by the individual ministry areas; children, youth, women, men and seniors; as well as the activities of the church in the local community.

**5. Clergy housing** These costs cover the provision of housing to the clergy where not otherwise owned by the church/ Diocese as well associated occupancy costs for all clergy housing, principally council tax.

**6. Clergy/staff expenses** These are the personal expenses incurred by the 13 clergy and staff; mainly working from home costs such as broadband but also mobile phone, car mileage & library costs.

**7. Training** The main item covers the church's membership of the Sussex Gospel Partnership.

**8. Utilities** These cover gas, electric, water and telephone costs for the church and Tiger buildings.

**9. Professional fees** The main item is the cost incurred for the Independent Examination of the statutory accounts.

**10. Other church & office running costs** These are the remaining costs of the church, including IT, sundry equipment, catering, social and cleaning costs.

## Our Response

**We invite everyone to make a pledge before God as to how they will give financially to support the mission and ministry of All Saints in the coming season.**

Every gift – small or large, regular or one-off – is greatly appreciated and will be stewarded wisely. You can make your pledge either online or on paper.

### 1. Pledge online or on paper

**To pledge online**, use the following link to access the **Promise of Planned Giving Form**. You will also need to complete the Standing Order Authority Form and/or Gift Aid Declaration if required.

Ensure you press 'Submit' at the bottom of the form.

**To pledge on paper** print off and complete the **Promise of Planned Giving Form**

In addition, you may need to print off and complete the **Standing Order Authority Form** and/or the **Gift Aid Declaration**

Place your completed form(s) in an envelope marked 'Stewardship 2022' and put them through the letterbox in the front of the Tiger, or post to

**All Saints Church Office**  
122 High Street  
Lindfield RH16 2HS

### 2. Make your payment

There are various ways to make a payment:

#### **Online payment via your bank (Recommended)**

The most efficient method for regular giving to the church is for you to set up (or update) your regular giving with your bank yourself.

#### **Standing order**

Please complete the Standing Order Authority form, and one of our Stewardship Recorders will liaise with the bank to ensure that it is correctly set up.

#### **Church website\***

Access giving online **HERE**.

#### **Contactless card reader\***

This is kept at the back of the church under the tower, and is good for one-off giving.

### CAF/Stewardship Services vouchers

#### **Cheque**

These should be made payable to 'Lindfield PCC', and sent to the Church Office in a sealed envelope marked for the attention of the Stewardship Recorders.

#### **Blue envelopes**

These will be sent by post to the small number of people who still prefer to donate in this way on a monthly basis.

#### **Cash**

During services cash can be placed in the collection bowl at the back of the church.

*\* Both of these options incur a small processing fee for the church*

### 3. Dedicate your pledge

This year Dedication Sunday is **28th November**. At each of the main three services (9.30am, 11.15am and 6pm) the sermon will help us to further consider the significance of giving to God through the Church.

During each service there will be an invitation to come to the front of church and place a token of the pledge you have made into a bowl at the front. If you have not already made a pledge (either online or by post) you can also place your pledge in the bowl on Dedication Sunday. We have found this to be a moving way to celebrate and signify our giving as a Church community.

There will no doubt be some who are unable to attend Dedication Sunday for a range of reasons. Pledges can still be posted into the Tiger Office via the letterbox.

## Thank you

Thank you for taking time to read this material as you prayerfully consider your giving for 2022. God promises us in His word that as we give in partnership to His work, He *'will meet all your needs according to His glorious riches in Christ Jesus'* (Philippians 4:19).

**Thank you for your partnership in the gospel.**