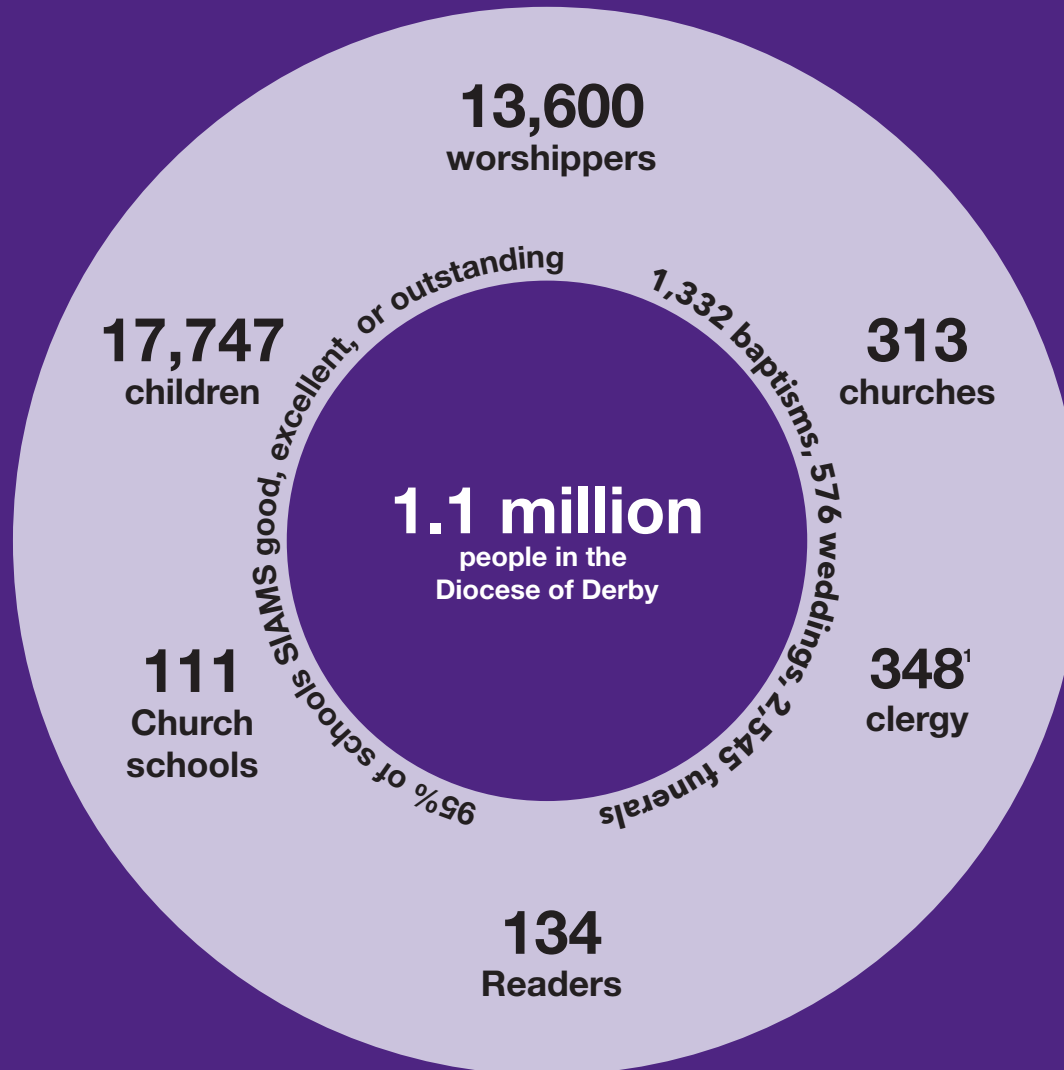


# On the money

How we're funded, and how that money helps our churches and schools to thrive.

1. Introduction
2. Financial summary
3. Our income
4. The Common Fund
5. Our expenditure
6. Financial challenge
7. Myth busting
8. Further information



1. Includes clergy with Permission to Officiate (PTO), but excludes retired clergy living in the diocese who do not hold PTO.

# Introduction

The Diocese of Derby is working together to live out our vision of the Kingdom of God as good news for all - seen in transformed lives, through growing church and building community.

Around £10m each year directly or indirectly supports Church of England mission and ministry through parishes, churches and other worshipping contexts, our schools and partner agencies across the diocese.

That's a huge amount of money to raise each year, so we have a duty to manage and deploy it well. This document sets out to explain how we do just that.

But before we begin, what, or who, is 'the Diocese of Derby'?

The answer is both geographical – the area covered by our parishes and benefices i.e., Derbyshire, the City of Derby and a small part of East Staffordshire; and human – the worship work and witness of every person in every Church of England congregation (in church building or other context) and our Church schools.

The Diocese of Derby is all of us together seeking to deepen relationship with God, make new disciples, serve local contexts and challenge injustice with generous faith, courageous hope, and life-giving love.

Of course, there must be a legal entity to manage all the money that flows in and out to support the mission we've been given.

The Derby Diocesan Board of Finance (DDBF) is an incorporated, charitable body that is the diocese's financial executive.

A separate legal entity, the Derby Diocesan Board of Education (DDBE), serves and advises our church schools.

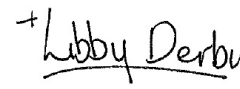
The DDBE receives an annual grant of £0.2m from the Board of Finance but is otherwise funded from education income streams.

In the face of social change and challenging economic times, the continued generosity and commitment of our congregations is essential.

The Derby Diocesan Board of Finance is committed to making sure our resources are used efficiently, effectively, and responsibly.



**Will Hagger Diocesan Secretary**



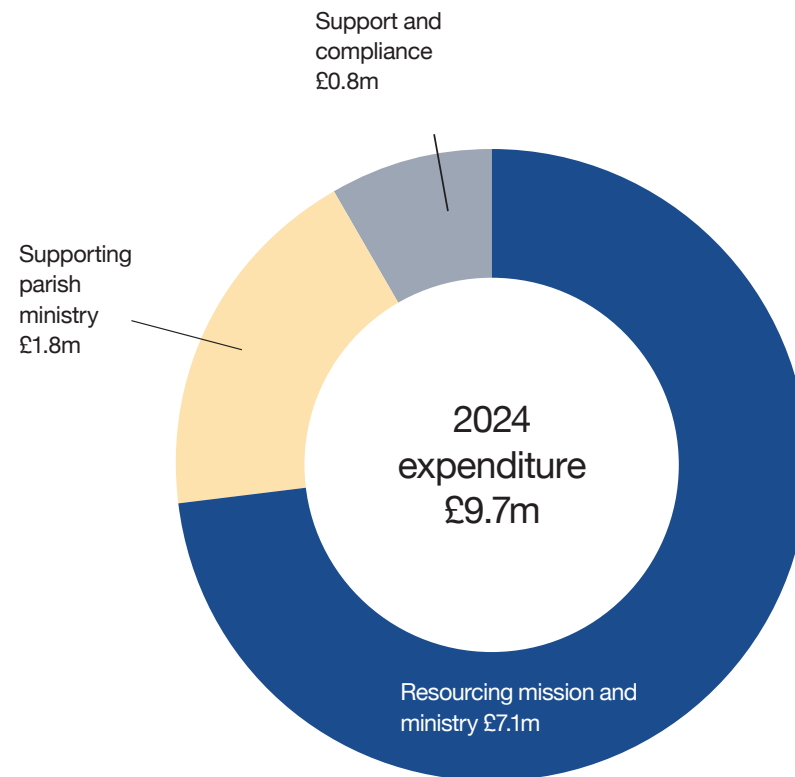
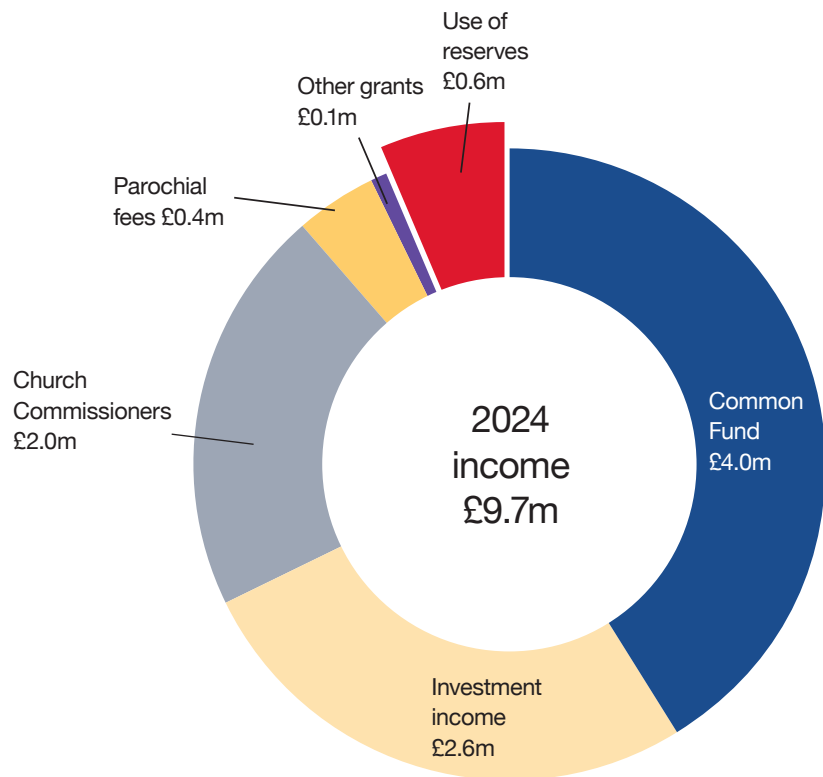
**The Rt Revd Libby Lane Bishop of Derby**

## Did you know?

- Around 1.1m people live in our diocese served by our congregations and schools.
- Mission and ministry across the diocese costs around £10m each year.
- Common Fund income funds about 41% of our core budget expenditure.
- 92 pence in every pound of expenditure goes directly to resource 'frontline' mission and ministry.
- Clergy stipends are by far our biggest expenditure at c£5m each year.
- It costs £0.5m each year to support and train lay and ordained ministries.
- Our support and compliance costs are just 8% of total expenditure.

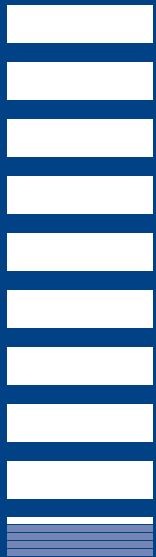
# Total income and expenditure

We are budgeting to spend £9.7m in 2024. This is funded by donations from congregations and income from other sources. This page illustrates planned expenditure during the year and where funds come from to finance the work.



# Did you know...

92 pence in every pound of expenditure goes directly to resource 'frontline' mission and ministry:



- **Clergy** - stipends, pension contributions, housing, and ongoing training
- **Curates** - selection, training, stipends, pension contributions and housing
- Support for **frontline mission and ministry** - church buildings, lay training, safeguarding, DAC, registrar, partners etc.

8 pence in every pound goes to:



- Managing governance and compliance of the charity and company
- Support services such as Finance, HR, and IT
- Derby Church House running costs

# Where the money comes from

The Common Fund raised by our church congregations will account for 40% of the money the diocese receives to fund the core budget in 2024.

And it's thanks to the generosity of our predecessors (realised today as the income we generate from our assets) that Common Fund allocations today are a lot lower than they would otherwise have to be.

Taken together, the Common Fund, Glebe, fees and other investment income means that we can support, house and train our clergy.

But the money goes beyond simply maintaining the status quo. It means we can be a generous, self-sustaining and growing community of Christians - one that's capable of funding the level of change required for the future Church together with many new ministry and mission projects each year.

## Common Fund

The Common Fund is the amount of money that each parish is asked to contribute to support the cost of provision of mission and ministry of the Church in the Diocese of Derby and beyond. It's the responsibility of us all and an essential part of our discipleship and how our clergy are funded.

The Common Fund raises around £4m each year, and without it we simply would not be able to support and pay for our clergy. With it - along with the subsidy of income from our assets - we're able to offer ordained ministry provision across each of our 275 parishes. You'll find a detailed explanation of the principles behind the Common Fund, along with the formula on pages 8 and 9.

## Investment Income from Land & Buildings

Alongside our investments in stocks and shares, the diocese holds land, known as Glebe, and it accounts for £0.1m of our annual income.

Historically, Glebe was the land given to individual priests to provide them with a source of income. The amount of such land varied from one parish to another, creating a wealth divide. In 1978, all such land was transferred to the dioceses and held as an endowment fund to pay the parish priests centrally and equitably.

As a result, the Derby Diocesan Board of Finance (DDBF) holds permanent endowments in land, buildings, and investments, which has been built up over many years.

During a parish vacancy, the property team in Church House works to prepare the vicarage for the next incumbent and to let out the property during the interregnum.

Lettings income offsets the costs of repair and maintenance to our vicarages by c£0.3m each year.

## Financial investment income

The diocese currently has £50m that is ethically invested in the stock market, generating dividend income, and land generating rental income for the diocese.

After fund manager fees are deducted, investment income makes a healthy contribution to parochial stipends of some £1.7m each year.

The DDBF is reviewing its investment management to maximise financial benefit from such a significant asset.

## Church Commissioners

The diocese benefits from central funding from the Church Commissioners.

Just over £1m is provided to support mission and ministry in areas of lowest income, allocated to dioceses based on their overall index of deprivation.

In addition, we receive time-limited income to support certain initiatives, such as first incumbent posts, additional curates and capacity in programme management and Living Generously.

Since 2017, we have received transitional funding (over a ten-year period) which ends in 2026. The methodology of allocating commissioner funding to dioceses is under review for the 2026-28 triennium.

## Other significant sources of income

### Parochial Fees

It is a statutory requirement for diocesan boards of finance to collect a portion of the parochial fees (the monies charged by parishes for occasional offices) each year.

### Benefact Trust

The costs of support for parish ministry are partially offset by a substantial annual grant of c£102k from the Benefact Trust, the independent charity that owns Ecclesiastical Insurance.

Sadly, this annual grant is being phased out over several years. Dioceses and parishes will in future need to apply for project funding.

## Use of reserves

There is insufficient income to fully meet the level of resources we need for 2024. The gap, referred to as the budget deficit, of £0.6m is being met from general reserves.

These reserves are finite in nature and only allow for budget deficits to be met in the very short term. Unless income rises to close this gap, tough decisions will need to be taken on the future level of resources we can afford to deploy.

Section 6 talks about this in more detail.

## Inflationary pressures

In the year to September 2023, the UK has one of the highest inflation rates in the developed world – just under 7%.

Despite this, we plan to increase stipends by 5% for 2024 / 2025 and, for 2024, to reduce the average Common Fund request.

As clergy stipends form the largest element of diocesan expenditure, there is a close correlation between the stipend increase we can pay, and the level of Common Fund we receive.

With parish costs increasing too, it's a good idea to ask your congregation to prayerfully review their giving sooner rather than later.

A range of resources is available from the diocese to support you in that.

# Common Fund

Common Fund is a formula-based system built on generous, gracious giving and the principle of mutual support.

Common Fund is administered in partnership between the diocese and each of our parishes using a formula that's fair, transparent and reflects the ability of congregations to financially contribute. And as well as funding the ministry costs within each parish, the Common Fund is a commitment from every place to ensure that the work of the Church of which we are all a part reaches into every community. Every parish gives, and every parish receives.

Without the Common Fund we simply would not be able to support and pay for our clergy. But with the Common Fund we can all do more for God's mission than we could ever do alone. It's an immense undertaking that raises approx £4m each year and a feat that's possible only because of the prayerful support, fundraising, and long-term financial commitment of our congregations. Thank you!

## Mutual support

No matter the size of your local church, it can feel that there is never enough money to do everything you want to do in your local community.

Mutual support means gladly contributing local funds to help pay for the wider ministry and mission of the church, even when there's not enough money for all that you'd like to do locally.

The Common Fund is a tacit recognition that mission and ministry are not carried out in isolation or done to others.

We understand that there are places across our diocese where people contribute to God's world in amazing ways, but they just don't have the financial resources to meet the cost of ministry.

That's why it's so important to recognise that the work we do in our parishes is only a part of the mission of God's church. By offering up our share, we're each ensuring that the work of the church of which we are a part reaches into every community.

Together, we fund work and worship in every place.

## Importance

Common Fund forms part of the diocesan annual budget. It equates to approximately 44% of all income and covers 41% of all expenditure, and has fallen by almost £1m since 2019, whilst expenditure over the same period has risen.

With increasing costs year on year, and reducing funding from the Church Commissioners, Common Fund is becoming increasingly important to cover the costs of mission and ministry across the diocese.

Parishes are encouraged to be as generous as they can be, not necessarily constraining their giving to what is asked of them if they can afford to give more.

We acknowledge that parishes face their own financial challenges so want to help you in any way we can, and for parishes to support one another in their benefices and deaneries, to meet the Common Fund together. Some parishes already take this approach locally. We are here to support parishes, so please be in touch if we can help with the financial organisation of your parish.

**“Every generous act of giving, with every perfect gift, is from above, coming down from the Father of lights”** James 1:17



## How Common Fund is administered

The current Common Fund scheme was implemented in 2017 and has been updated for 2024 with the latest available data.

The diocese allocates the full cost of Common Fund at a parish level. Our approach to calculating our ask of the parish is approved by Diocesan Synod.

## Methodology

The formula uses a combination of attendance (Usual Sunday Average Attendance) and parish deprivation, which is taken from national IMD statistics. Each parish then shares the total request based on their calculation of USAA and deprivation.

Large churches receive a 50% large church discount for USAA above 100, and small churches receive a 25% discount if they hold less than three services per month. Our LEP partners share the calculation in their churches.

## 2024 Calculations

The USAA data in the Common Fund formula model has been updated to 2022, being the last full year of data available.

Where parishes did not submit their Mission Statistics, earlier reported figures have been applied.

With a significant reduction in overall USAA across the diocese, compared to pre-covid, the calculations can result in large movements upwards or downwards.

To alleviate this, safety nets have been applied so that there is no greater or less than a 50% shift in request.

## Reporting

The Diocesan Business Committee reviews Common Fund receipts regularly. Receipts are recorded and added to the diocesan website monthly. [derby.anglican.org/commonfund](http://derby.anglican.org/commonfund)

Parishes are encouraged to make regular monthly contributions to the diocese to aid forecasting and supporting cashflow, as monthly stipends and pensions are paid out.

## Impact

Your Common Fund contribution helps resource our work in building God's Kingdom across the Diocese, transforming lives and communities for good. Here are some of the ways we have had impact:

- 1,332 individuals welcomed to our Christian family through baptisms\*
- 576 couples brought together in marriage, and 26 marriages blessed\*
- 2,545 grieving families helped through difficult times at funeral services\*
- 15,946 members on the Electoral Rolls of our Worshipping Communities, worshipping together and growing in faith\*
- 23 new priests and deacons ordained for public ministry in parishes, chaplaincies and communities\*
- Future clergy developed, with 6 people in training, and a further 10 being prepared for selection†
- 14,747 children engaged in Collective Worship in our Church Schools‡
- Our children's Christian identity developed, with 95% outstanding, excellent or good ratings for Christian Distinctiveness in our 111 Church Schools\*
- Clergy properties maintained to a standard that is fit for purpose, 21st century compliant and attractive to incoming clergy‡
- Over 1,409 safeguarding courses completed, and 1,627 DBS certificates issued, promoting safeguarding in our communities\*
- 34 students on a Discipleship training course exploring their vocation towards licensed lay ministry†.

## 2025 onwards

Bishop's Council is in the process of reviewing the Common Fund system, with changes planned for implementation in 2025. The review will be undertaken during 2024 and stakeholders will be consulted.

# How we allocate our resources

We're committed to making sure our income is used efficiently, effectively, and responsibly so that we make every pound count. The next few pages explain annual expenditure in some detail, so it's worth having a copy of the current year budget to hand. You'll find this at [derby.anglican.org/budget](https://derby.anglican.org/budget)

## Resourcing ministry and mission

### Clergy stipends

£ 5.29m

Clergy stipends are by far the biggest area of our expenditure and accounts for 55% of budget, some £5.3m before other contributions to clergy resourcing such as grants, training and housing.

This gross figure has reduced slightly from 2023, thanks to wise stewardship of the clergy pension fund, which has led to a reduction in the contribution rate until at least 2025.

### Ministerial grants

£ 0.15m

Grants are available for resettlement and removal costs when joining the diocese, and for clergy in their first incumbent appointments.

We also fund PtO clergy fees who are responding to ministry in vacant parishes.

### Ministry training costs<sup>1</sup>

3.7 FTE | £ 0.55m

Church and society are changing rapidly, and not always in the same direction. We support those who are discerning a call to ordained or lay ministry and equip them to respond well to the challenges of ministry today: community outreach, ministering to more than one church, and handling conflict.

It is vital to the future of the Church that we select and prepare great people for ministry, whatever form that takes. This budget includes both internal and national support (Vote 1) for ministry training.

That's why we commit over £0.5m each year to the task.

<sup>1</sup> Read more about ministry training costs overleaf.

### Buildings and accommodation

3.9 FTE | £ 1.14m

Our property team oversees the repair and maintenance of over 176 vicarages and other properties. Together with rental costs, housing allowances, council tax, buildings insurance and other bills, gross costs in this area are around £1.14m each year. Staffing and administration costs account for 14% of expenditure.

This area generates income of around £0.35m from rental income from vicarages during vacancy.



### Did you know?...

We currently have 163 licensed clergy and 185 PtO clergy

## More on ministry training costs

The cost of curates is paid for by every parish in the diocese. Following a period of discernment, an ordinand will receive two-to-three years' training through a theological college, followed by up to three to four years as a curate. During that time, and throughout their ministry, specialist training and support is on hand.

### Pre-ordination selection and training

 1.7 FTE<sup>1</sup> |  0.11m

Our Vocations Team is supported by a network of volunteers from across the diocese. Together, they work with people over many months to discern what God is calling them to and what type of ministry is right for their unique gifts and talents. It's not a competitive process; we work with everyone who comes forward and select candidates for licensed lay and ordination training on merit alone. For those who go on to ordination training, it's a journey lasting at least five years, and they're accompanied every step of the way.

Much like the Common Fund principle of mutual support, training costs for ordained ministry are evened out across Church of England dioceses through a mechanism called pooling. We contribute each year to the central fund for training, from which we receive a set amount back for the training of each of our candidates.

The sum the diocese receives back does not include a contribution to living expenses during training, nor does it cover the operational costs of the Vocations Team. These, along with a small sum to cover ordination and first appointments, are paid for directly by the diocese.

See how the diocese supports people at every stage of their ministry at **derby.anglican.org/vocations**.

### Post-ordination and lay ministry training

 2 FTE<sup>2</sup> |  0.44m

Our Ministry team train and support licensed lay ministers, clergy and interested learners. Our goal is that every minister can flourish in their calling. The Ministry Team trains and support licensed lay ministers, clergy and interested learners. Alongside its vital work to support curates for at least three years following ordination, the team provides specialised support for clergy who are new to incumbency, experiencing challenges or a change in context, and offers courses, reflective practice and learning groups as well as self-guided training resources for a wide range of people in lay and ordained roles. There is a strong emphasis around supporting ministers to grow as enabling 'leaders in mission'.

Funds and support are made available to enable clergy to pursue their own ministerial development goals as well as grants to facilitate clergy's spiritual wellbeing in the form of retreat allowances. For ordained ministers who have been in public ministry for some time support is available to plan and execute sabbatical breaks in ministry. Similarly, for those wishing to do further deeper academic work advice is on-hand to prepare for and plan study leave.

All these things working together with Clergy Ministerial Development Reviews which help ministers reflect on their ministries and determine how they can grow both personally and professionally (MDRs are an optional requirement for Licensed Lay Ministers).

1. 3.7 FTE total for this budget category, see previous page.

2. 3.7 FTE total for this budget category, see previous page.

## Support for parish ministry

One way to think of expenditure outlined in the preceding pages is that it's the direct costs of putting ministry into a parish, now or in the future. Support for parish ministry, set out below, is the cost of supporting and maintaining current ministry provision and preparing for change when it happens.

### Archdeacons' office

 5.6 FTE |  0.18m

While the Church Commissioners pay for our diocesan and our suffragan bishop directly, the cost of the three archdeaconries that support our churches and worshipping communities is met by the diocese.

Our archdeacons provide spiritual leadership, pastoral care and practical advice for our parishes and clergy. Annual Ministerial Development Reviews support professional development of our clergy and assist in discerning what God is calling them to next.

A programme of church inspections ensures that best practice is shared across the diocese and responds to enquiries ranging from buildings care, to safeguarding to canon law.

Archdeacons work alongside area deans, who are supported by deanery administrators, to deliver locally.

### Mission

 9.2 FTE |  0.48m

Mission and ministry staff support all our clergy (see 'ministry training costs', page 11) and offer ongoing support to every parish, including parish development work in vacancy, parish planning and strategy work, and resourcing the Everyday Faith, Living Generously and Growing Faith agendas.

Departmental headcount and expenditure in this area covers a wide range of activity. See pages 14 and 15 for an explanation of the key focus areas under this budget category.

### Safeguarding

 4.9 FTE |  0.29m

Safeguarding is part of the mission of the church; children, young people and vulnerable adults must be able to worship and grow in Christ safely.

Our staff are supported by an independently chaired safeguarding panel and a number of volunteer trainers.

The team ran 106 training events for 1,409 people, and issued 1,627 DBS certificates in 2022.

[derby.anglican.org/safeguarding](https://derby.anglican.org/safeguarding)

### Communications

 2.0 FTE |  0.08m

Our Communications Team supports all that we say and do. Its work ranges from handling media enquiries to producing diocesan publications, maintaining our website, promoting social media and finding new ways of sharing the good news.

The team is on hand with help and advice for parishes every day of the week.

[derby.anglican.org/communications](https://derby.anglican.org/communications)

*Note: the costs of communications support for the Bishop of Derby are met by the Church Commissioners.*

### Diocesan Advisory Committee (DAC) and Diocesan Mission and Pastoral Committee (DMPC)

 1.5 FTE |  0.07m

We need to enable the mission and outreach of our churches while protecting the historic significance of these sacred places, some of which are Grade I heritage buildings.

Churches are exempt from some parts of the Planning Act, which means that while listed building or conservation area consent is not needed, a church faculty is.

Our Church Buildings Team is there to advise and support parishes considering repairs, re-orderings and new works.

There were more than 173 applications to the DAC in 2022.

[derby.anglican.org/dac](http://derby.anglican.org/dac)

The DMPC recommends pastoral organisation following a review of the availability and patterns of local ministry.

### DDBF Legal

 0.1m

This expenditure relates to legal advice, the diocesan chancellor's office, and faculty fees.

The diocesan registry provides legal advice on matters relating to parish officers, diocesan officers and bodies, and members of the public (in relation to marriage, baptism, confirmation, and burial).

The diocesan chancellor is a senior barrister who works closely with the diocesan registrar, DAC, and archdeacons.

The chancellor is the independent judge of the Consistory Court and oversees legal issues across the diocese, especially those which relate to the use of and alterations to church buildings and land.

[derbydiocesanregistry.co.uk](http://derbydiocesanregistry.co.uk)

### Grants to partners

 1.0 FTE |  0.33m


Part of our diocesan mission is delivered through our strategic partners, including the Derby Diocesan Board of Education (DDBE), which support ministry in 111 schools and to 14,747 pupils, ensuring the Christian ethos flourishes in our schools;

Other partners include chaplaincies in the workplace, university, and rural contexts; the cathedral; and through hardship support via the diocesan bishop.

We also offer small grants to our partners in the Diocese of Kolkata, and to our widowed and orphaned clergy.

See page 16 for more details.

### National Church costs

 0.24m (votes 2 to 5)

Ordinand pooling costs (vote 1) are explained on page 10 and fall separately under the Resourcing Ministry and Mission section of the budget. Votes 2 to 5 in this section of the budget refers to the diocesan share – which is our contribution to the workings and ministry of the national church.

It's a figure that takes into account the size of this diocese and the amount we need to contribute to the operational budget, mission agency pensions and grants that are made by the national church.

Another aspect of this 'diocesan share' contribution to the national church is that it also helps to fund the Church's Housing Assistance for the Retired Ministry (CHARM) scheme. This helps retired clergy to rent a modest, unfurnished home under an Assured Tenancy Agreement, providing security of housing for our elderly clergy.

## The Mission Team in detail

Our world is changing in unprecedented ways; we have a common vision to become the best Church we can be in this time. The Department of Discipleship, Mission and Ministry supports the diocese at every level in response to that vision.

### Christian formation and discipleship

 1.0 FTE |  52k

The Discipleship Training programme does what it says! This on-line, modular course enables people from across the diocese, to learn and grow together in the essential elements of Christian belief and practice.

Flexible, accessible, and open to everyone, this programme incorporates a strong vocational discernment element that helps participants discover where they can best serve God in the world.

For many, this will be as Readers; this course forms the backbone of our in-house Reader training programme producing confident Christian missional disciples living out their baptismal calling as they transform lives through growing church and building community.

**[discipleship-training.org](https://discipleship-training.org)**

### Environmental action

 0.5 FTE |  23k

We've set an ambitious goal of achieving net zero carbon emissions by 2030. We currently have a half-time diocesan environment officer post, which we hope to supplement through a bid to the national church for additional capacity to help deliver our Net Zero Carbon commitment.

The team will be responsible for planning action, prayer and advocacy across the diocese and supports churches with a range of initiatives including energy audits, carbon literacy programme and the Eco Church awards programme.

#### Did you know?

Currently on offer are programmes like FX Greenhouse which draws local practitioners together into supportive but challenging spaces to help germinate new fresh expressions that birth into new worshipping contexts. Other help and strategic investment is managed at a diocesan level.

### Growing new congregations<sup>1</sup>



 1 FTE |  68k

It is proven that by doing new things we are more able to reach newer, and more diverse, people than if we simply focus on doing that which we have traditionally done.

The strong aspiration within our diocesan vision is that every existing church (be they large or small, from all church traditions) starts something new in their parish that will connect with those that the church currently fails to reach. Most of these Fresh Expressions (which may grow to become new churches but most likely will remain as a different worshipping context of an existing church) will be small in scale, agile in design and have strong lay involvement supported by 'enabling' clergy.

The diocese offers support to clergy and lay leaders alike to enable bold, creative, and courageous missional thinking and practice. From large-scale resourcing church initiatives that lead to multiple church plants and revitalisations, to expanding pioneer ministry, to nurturing new local Fresh Expressions will help us become younger, more diverse, greener and with a stronger, more authentic presence in lower income communities.

## Children, young people and schools

 1.9 FTE |  107k

It's still true that most people first find faith in their pre-adult years. As we increasingly see 'growing younger' as the church's priority of priorities, our strategic lead for youth ministry works in partnership with DDBE and supports engagement between children, young people and families within our churches, communities, and local schools with a range of resources and training.

Through supporting a network of local practitioners, the diocese offers assistance and advice to every parish to help put children, young people and families (CYPF) instinctively at the heart of all mission and ministry using principles outlined in the CofE's national Growing Faith initiative.

With a national vision to double the number of active young disciples in the church, the diocese seeks to resource our churches, the majority of which having no regular contact with young people, to become attractive places for young people to find community and explore faith.

Key to this vision is have a strong and well-supported pipeline of locally paid and volunteer CYPF workers. As well as supporting development of volunteers, the diocese supports programmes such as the Ministry Experience Scheme which gives young people opportunity to immerse themselves in full-time CYPF training.

## Community Buildings

 0.6 FTE |  29k

Our buildings represent a significant missional asset to the diocese giving place and space for much of what we do in worship, mission and ministry.

Much loved by congregations and communities our buildings, over 75% of which have listed status, require significant care and attention to maintain them as safe and comfortable places that everyone can easily access.

The diocese offers support in helping PCC's and others think about how buildings can best be used to serve the needs of local communities.

Whether it's a new roof, a toilet and a tea-bar, a new heating system or something larger and more ambitious we're on-hand to advice about process, planning and funding building schemes and developments.

We have recently been successful in our bid for a nationally funded Church Buildings Support Officer which will provide more capacity to help parishes with the maintenance of church buildings.

## Living Generously Adviser

 1 FTE |  51k

In all aspects of our giving – time, money, hospitality, talents; Christians are called to give generously.

Generous giving responds to a generous God.

Our giving and expressions of generosity are only meagre offerings in response to the abundant and outrageously lavish God we worship who has not withheld from us in any way.

Our Living Generously Adviser helps churches to nurture a culture of giving and generosity within the principles of Christian discipleship.

As well as preaching, teaching and learning together about Christian stewardship, practical support on offer ranges from advice on fundraising, through to administering contactless devices and the Parish Giving Scheme (PGS).

Did you know that over 53% (2021) of people who sign up to use PGS for their parish giving opt-in to increasing their giving in line with inflation each year? [derby.anglican.org/generosity](https://derby.anglican.org/generosity)

Psalm 145:16 speaks of God's extravagant generosity...

**"Generous to a fault, you lavish your favour on all creatures".**



## Grants to partners

In addition to grants made under resourcing ministry and mission, £333k has been approved to allocate to our schools, workplaces and the developing world.

### Board of Education

£ 200k

Diocesan responsibilities for education are carried out by the Derby Diocesan Board of Education (DDBE), which has responsibility for 111 Church schools across the diocese. The DBE vision is: TRANSFORM, GROW, BUILD.

Living out the values of generous faith, courageous hope and life-giving love, the DBE supports the diocesan family of schools to offer:

- life-giving, life-changing learning through excellent education, shaped by a distinctively Christ-like vision and ethos.
- inclusive and inspirational Collective Worship, inviting all to grow in faith.
- excellent Religious Education, enabling children and young people to reflect critically and explore faith, belief, and Christian responses to life's big questions.
- hospitality, hope and love to children, young people and households.
- a sense of belonging to those of all faiths and none, building community near and far, local and global.

[derbydbe.org](http://derbydbe.org)

### Other grants made

1 FTE | £ 133k

#### Chaplaincies

We provide £74,000 to fund a university chaplain, and part fund the Agricultural Chaplaincy and Workplace Chaplaincy programmes.

#### Bishop

We provide £37,000 to the diocesan bishop to directly administer hardship grants across both lay and clergy ministries.

#### Other

We provide £22,000 to support Derby Cathedral in its mission delivered on behalf of the whole diocese, and to support the Church of North India Partnership annually.

### Did you know?

In 2022, a further £343k came back to parishes in grants from the Parish Energy Support Scheme



## Grant funds for parishes

The diocese holds a number of funds for parishes to bid for to support their mission. These included the Canon Raymond Ross fund, the Building Community Fund and the Local Mission Fund.

### About the Fund

(Balances at 31 December 2022) Canon Raymond Ross Fund – £835,000

Building Community and Local Mission Funds - £111,785

### The Raymond Ross Large Grant Scheme

This fund offers parishes an exciting opportunity to develop their local church or hall premises, making them more community and mission shaped, and accessible to people of all ages and abilities. Your project needs to meet outcomes which achieve and support mission, community or growth. The maximum grant available will be £25,000 and requires match funding. The fund is not available for maintenance or repair and cannot be applied for retrospectively.

### The Raymond Ross Small Grant Scheme

Do you have a small church project that could have a big impact? Are you looking for a relatively small grant that requires no match funding? If so, this could be just right for you; £5,000 to fund small but not insignificant capital projects that will generate outcomes which achieve and support mission, community or growth.

### Building Community and Local Mission Funds

This fund is aimed at supporting local congregations to act with a generous faith, through engaging with and embracing the communities they seek to serve. There is an expectation that parishes will work in partnership and create networks for the common good, with particular care for the marginalised and vulnerable. The diocese wishes to particularly encourage churches to reach out to those who have not considered the church community as a group to which they can relate.

### Who can apply?

The funds are open to any church or parish but are particularly helpful to those parishes who, after paying Common Fund and other essential costs, have limited financial resources to invest in missional activity.

We know even modest grants can make a significant difference in such parishes. The funds are not intended to support routine repairs to buildings, or payment of regular running costs, though grants are available for essential infrastructure.

### Some of the projects

Grants from the funds range from a few hundred pounds to double figure sums. The larger amounts are often used to secure other third-party funding; many of the projects listed below will have benefitted from matched funding by the congregation and other sources:

- Kitchen servery areas
- Disabled toilet facilities
- AV equipment and internet connection
- Warm Space furnishings
- Furniture and coffee machine
- Community toddler group
- Community garden
- Signing for deaf congregants

## Support and compliance costs

All charities aim to keep governance and support costs as low as possible. But it's inevitable they will spend some money in these areas if they want to function effectively and legally. We're dedicated to running a lean diocese, which is why our support costs only equate to 8% of overall expenditure.

### Executive

 4 FTE |  0.26m

The diocese is led by the Bishop of Derby and governed through Diocesan Synod. The executive team handles the corporate and administrative affairs of the Derby Diocesan Board of Finance, ensuring good governance across all diocesan boards and councils.

It is also charged with the delivery of operational activities to meet the diocesan strategic objectives. The executive oversees data protection and is responsible for the day-to-day management of the DDBF budget. [derby.anglican.org/governance](https://derby.anglican.org/governance)

### Information Technology

 0.5 FTE |  0.09m

Our IT is outsourced. Cloud-based technology and an investment in IT hardware ensures that staff can work from locations across the diocese on any device. Over the past year, we have implemented remote access Teams Phones.

We are currently reviewing website options, along with updating our IT related policies and procedures to ensure forward-planning for updating IT essential equipment.

### Finance

 3.6 FTE |  0.24m

Alongside support to our deaneries and parishes, the Finance Department performs several essential statutory functions on behalf of DDBF and ensures that diocesan funds and investments are handled wisely, including setting annual budgets and preparing and presenting annual accounts for audit.

It provides support to parishes including Gift Aid claims, grants, fees, parish finance returns and Common Fund. In addition, it manages supplier payments, and processes payroll.

### Church House

 0.3 FTE |  0.07m

Clergy and church officers are guaranteed a warm welcome when they visit Church House Derby. Meeting rooms are used for, and available for, meetings and training courses.

Church House is owned and maintained by DDBF; therefore, we do not have to pay an annual rental. An equivalent annual rental would be c£69,000.

### Human resources

 2 FTE |  0.14m

HR enables our common vision through lean and effective organisational structures and creative deployment of staff, cares for the wellbeing of staff and advises parishes on how to be and act as responsible employers. HR also works closely with the Finance Team to manage payroll for clergy and staff.

The clergy wellbeing team address issues of isolation and wellbeing among our clergy. They all take on this role voluntarily and counselling support is offered by an independent diocesan counselling co-ordinator.

### Benchmarking

The Diocese of Derby is comparable with other dioceses of a similar size in the Church of England. Our 2024 FTE headcount (posts funded by core budget) did not increase from 2023 levels. And while the number of stipendiary clergy in the Diocese of Derby is forecast to remain broadly stable through 2024, we are aware that we cannot sustain current deficit budgets beyond 2025 and so are, like most other dioceses, considering possible future expenditure cuts.

## It all adds up to:

	£000's	FTE
<b>Resourcing ministry and mission</b>		
Parochial stipends	5,289	n/a
Ministerial grants	150	n/a
Ministry training costs <sup>1</sup>	545	3.7
Buildings and accommodation	1,140	3.9
<b>Support for parish ministry</b>		
Archdeacons' offices	177	5.6
Mission	457	8.2
Safeguarding	286	4.9
Communications	82	2.0
Partners	333	1.0
DAC and DMPC	72	1.5
Registrar	96	n/a
National Church Costs (Votes 2-5)	244	n/a
<b>Support and compliance</b>	808	10.4
	<b>9,679</b>	<b>41.2</b>

1. Includes Vote 1 national fund diocesan contribution of £214,00

# 2024 Total Cost breakdown



## Stipend-related costs for each post:

• Stipend:	£31,095
• National Insurance:	£2,240
• Pension:	£7,500
• Moving and resettlement grants:	£1,155
	<hr/>
	<b>£41,990</b>



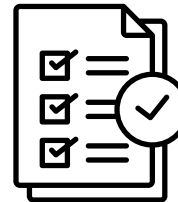
## Support for parish ministry:

• Area support for parishes:	£3,938
• Safeguarding:	£2,208
• Direct support for parishes:	£5,549
• National church support:	£1,884
	<hr/>
	<b>£13,490</b>



## For each diocesan house used by clergy:

• Council tax:	£2,630
• Planned and reactive maintenance:	£4,545
• Other property costs:	£1,625
	<hr/>
	<b>£8,800</b>



## Support and Compliance

**£6,240**



## Training and support for each parish:

• Ordinand and clergy training:	£2,560
• National church support:	£1,650
	<hr/>
	<b>£4,210</b>

**Total: £74,730**

This illustration shows the total allocation of costs; to pay, train and support each full-time stipendiary clergy in their parish ministry.

# The financial challenge

In section 2, we highlighted the budget gap of £0.6m for 2024. We also mentioned that using reserves to plug the gap can only be a strategy used in the very short term.

As we project income and expenditure forward for the next five years, the gap grows. This is because income is reducing overall, or in some areas at best remaining stable. At the same time, inflationary pressures are growing, including the need to meet annual pay awards to partly mitigate the effect of the cost-of-living crisis for our clergy and staff. We also need to ensure that our housing and services remain effective.

**The projected budget gap by 2028 is £1.6m**

At the same time as ensuring that our outgoing resources are examined to become the most efficient, we need to explore how we grow our income base. Each key income element is detailed on this page:

## Common Fund

We need to protect and grow the current level of Common Fund receipts from parishes. This can best be achieved by improving the financial stability of our parishes, in terms of

- (a) growth in volume – through growing congregations who are engaged in generous giving,
- (b) exploring new and returning income streams through trading, fundraising and grants and
- (c) by helping parishes reduce their expenditure costs through joint purchasing etc.

In 2019 (pre-covid) parishes contributed £4.7m in Common Fund. We need to work towards helping parishes return to this level of financial sustainability.

## Investment Income

Bishops Council has put in place an Investment Sub Group to maximise the financial returns on our land, buildings and share portfolios.

The trustees of the DDBF have to give regard to the risk that greater returns bring which forms part of our future investment strategy.

We are also committed to divesting from investment in companies in the fossil fuel industry, which could reduce our financial returns, but is a commitment we stand by for the safeguarding of the creation of our planet.

## Grant Income

We receive funding annually from the Church Commissioners. We are also bidding for strategic funding to deliver our strategic aims, including driving for growth across the diocese, which in turn should support parishes ability to readily afford their Common Fund requests.

The reality is, that if the measures above do not close the gap, then the DDBF will have to take some tough decisions about the resources it funds.

Given that 74% of our expenditure is on direct ministry costs, this could be significantly impacted.

**A growing deficit budget is not sustainable!**

# Myth busting

## The government funds the church!

We are the established Church, so many people think that the government pays for our church buildings. But it does not. We get no direct funding from the government. The responsibility for funding parish ministry rests with us: we must support existing ministry and invest for the future if the Church is to serve our children's children well and we are to be faithful to Christ.

## What does Church House do for us?

We hope this document explains why we need salaried staff to support mission and ministry across the diocese. We ensure that the diocesan statutory duties are complied with, and that trustees of the charity and directors of the company are provided with sound information to allow them to make strategic decisions. We provide a responsive service to keep our churches safe and keep staffing levels under active review and measure them against diocesan benchmarks.

## You're cutting clergy numbers!

The level of core clergy posts in the 2024 budget is the same as in the current year. We are planning to appoint additional curates to prepare our 'pipeline' of future incumbents supported by national grant funding. But we cannot sustain stipended clergy numbers beyond 2025 unless we can better balance our budgets.

## Top-heavy decision making!

The governance of the diocese is set out in its statutory instruments. Members are elected to the relevant bodies of the diocese, such as Diocesan Synod and Bishop's Council, by parish representatives.

We discern together how we best serve Christ and maximise His impact in the world. Diocesan Synod agrees a budget each autumn for the next calendar year, and we are regularly held accountable (and rightly so).

## We don't have to pay Common Fund

We each pool our resources so that all may thrive. If a parish cannot or will not meet its allocation, then that means the balance will have to be met by other parishes in the diocese because stipends and salaries still need to be paid and vicarages maintained. If Common Fund receipts fall, tough decisions will need to be made in the not-too-distant future about where to allocate limited resources to local ministry and mission. Because we receive almost £1m less Common Fund than we did pre-covid, it is vital that we maintain and grow the level of Common Fund collected. Common Fund should be a primary factor when PCCs determine parish annual budgets.

## You delay recruiting clergy!

Our bishops and archdeacons are working hard with parishes during vacancies to discern what's needed now and for the next generation, to create parish profiles, and recruit the next person. Current vacancy levels are not a result of delaying tactics to save money, but rather difficulties in attracting the right clergy, an experience which is being felt in many dioceses.

## We don't have a vicar so we don't need to pay Common Fund

During a vacancy, parishes still receive support to maintain worship and to address specific parochial issues. The vital support, training and advice which is available to PCCs and others continues. Some churches are supported by clergy who do not receive a stipend, but the support for those clergy, too, is still in place. The Common Fund was established to resource ministry in all parishes across time, so if you don't have a vicar for a period, please continue, as far as possible, to support those who do (as they will when your new vicar is appointed).

# Further information

On the Money is one of a number of resources that explain diocesan finances and the difference we make together.

## Annual Report and Financial Statements

Published in the second quarter each year, the Annual Report and Financial Statements provides an overview of the work of our boards, committees, and councils, along with stories of growth and change. Our statutory directors' reports and financial statements are published and approved by Diocesan Synod in June each year. [derby.anglican.org/publications](https://www.derby.anglican.org/publications)

## Annual Budget

Diocesan Synod approved the 2024 budget on 14 October 2023.

## Common Fund Allocation Reports

Common Fund collection rates by deanery are published monthly on the diocesan website. [derby.anglican.org/commonfund](https://www.derby.anglican.org/commonfund)

## Encouraging generous giving in your church

At the heart of the Christian faith is the generosity of the self-giving God who entered the world to save humankind for a relationship with himself.

Through financial giving each congregation supports and grows the mission of the church - it is a tangible expression of their love, now and for the future. But talking about money and generosity, especially in the midst of a cost-of-living crisis, can feel next to impossible.

That's why our Living Generously adviser is on-hand to help parishes nurture and grow a culture of giving and generosity within the context of Christian discipleship. They can advise on the many ways open to PCCs and church officers to talk about and enable an increase in local giving so that the work and life of the parish can flourish.

Visit [derby.anglican.org/generosity](https://www.derby.anglican.org/generosity) for more information.

## Serving your church

Our website has a range of resources for anyone currently, or considering, undertaking a voluntary key role within the church such as churchwarden, PCC secretary and PCC treasurer.

Visit [derby.anglican.org/church-admin](https://www.derby.anglican.org/church-admin) for more details.

The Diocese of Derby is the Church of England in Derbyshire, Derby City and a small area of Staffordshire.

The diocese serves a population of around 1.1 million people.

The three Archdeaconries of Derby City and South Derbyshire, Derbyshire Peak and Dales, and East Derbyshire consist of deaneries and parishes, all of which work alongside Christians of other denominations, and all people of goodwill.

**Our vision is**

The Kingdom of God: good news for all.

**Our missional aims are**

Transformed Lives through Growing Church and Building Community

recognised as we strive towards **our objectives to**  
deepen relationships with God, make new disciples, serve local contexts and challenge injustice

as we **prioritise**  
our poorest communities, growing younger, greener and more diverse

being shaped by **our values** of  
Generous Faith, Courageous Hope and Life-giving Love

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