

Our budget for 2016

In my last letter, I explained our approach to financial planning, and in this letter I will discuss the budget for 2016 approved by the PCC. This will be one of the longer letters but hopefully will provide a lot of background for our Stewardship Campaign and answer a few questions along the way.

Thankfully, when I present the budget, there is no heckling from the opposition. A few polite questions lead to reflection on the financial outcome that I am forecasting and some discussion on what can be done to improve the predicted outcome. Our budget takes the considerable detail of our incomings and outgoings and categorises them into a few high level categories of income and expenditure which I have summarised in the table below.

| Income | £ 308,250 | Expenditure | £ 350,550 |
|------------------------|-----------|------------------------------|-----------|
| King Henry VIII Trust | £ 143,100 | Property Running | £ 58,000 |
| Visitor | £ 39,700 | Administration | £ 57,700 |
| Planned Giving | £ 35,000 | Ministry and Worship | £ 95,120 |
| Collections | £ 35,000 | Music | £ 66,500 |
| Fundraising & Lettings | £ 26,490 | Property Maintenance | £ 45,000 |
| Other | £ 17,360 | Giving (incl Deanery Supp't) | £ 28,230 |
| Investments | £ 11,600 | | |

The top line reveals immediately that we are predicting a potential loss for 2016 of over £40,000. While this is the worst case scenario it continues to follow the trend of previous years. Without doing anything differently, our expenditure continues to rise while income either stays flat or falls.

What lies behind some of these numbers? I will look at the income numbers first:

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| King Henry VIII Trust | Our principle benefactor, but suffice to say that this income has decreased substantially over recent years. A topic for a future letter. |
| Visitor | Income from the tower entry fee and various collection boxes in the church. It also includes one-off small donations. |
| Planned Giving | Income from congregation members who pay by standing order. |
| Collections | Income from all collections during the year, from regular and non-regular members of our congregations. It includes all envelopes and cash from the collection plate. |
| Fundraising & Lettings | Income from the Bookshop, events like the Christmas Tree Festival and from letting our building for the use of concerts and services. |
| Other | The rental fee we receive for the phone mast in St Mary's tower |
| Investments | Interest received on our small number of financial investments |

From a treasurer's perspective, I like to see sources of income that are predictable and regular. For St Mary's that includes the King Henry VIII Trust income and the Planned Giving. All other sources of income are unpredictable and to some extent vary according to the season. Visitor income increases during the summer months while collections drop off during summer vacation but increase dramatically over Christmas. Collections taken during the two week period of Christmas festivities accounted for nearly 15% of our collection income.

Stewardship Campaign 2016

Letters from the Treasurer



As we embark on our Stewardship Campaign, the questions that we ask ourselves as members of the PCC and that we therefore ask the members of our congregation to consider are: firstly whether our own level of personal giving is appropriate and then secondly whether there are ways of increasing income from existing activity or generating new income from new activity.

There is a lot of detail behind the expenditure numbers, but to explain the high level categories:

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| Property Running | Includes costs for insurance, power, cleaning and regular supplies like light bulbs and toilet rolls. |
| Administration | Covers all our office costs, salaries and costs for our fundraising and outreach programmes and governance costs such as our annual account audit. |
| Ministry & Worship | Covers all clergy costs (excluding stipend which is paid directly by the King Henry VIII Trust). It does include charges for clergy training and fees for visiting clergy. It also includes clergy at Myton Hospice and salaries for our receptionist team and team of vergers. |
| Music | Salaries for our music staff and the upkeep of the organ. |
| Property Maintenance | General fabric maintenance on the church and rectory buildings. |
| Giving | Principally this is a payment we make to the diocese to help poorer parishes (known as the Parish Share and I will cover this in a future letter). This amount also includes donations that we make following our outward giving Sundays. |

As a PCC we have reviewed our expenditure and our Parish Administrator has done an excellent job to ensure that we have competitive rates for all utilities and for our insurance. However, in spite of our best efforts, expenditure continues to rise with increases to the Minimum Wage and the Living Wage, the introduction of pensions for employees and other general rises across the board.

With considerable assistance from the King Henry VIII Trustees we have negotiated down the amount of money that we pay for Parish Share, and although this has been necessary for our own finances we are acutely aware of the impact that this has on others in need in our diocese.

We believe that our expense is already at its minimum level for our current scope of activity and ministry. Any further reduction would significantly change the nature of our ministry and that would be a decision for us to make collectively. Even then, reductions are not as straight forward as we might like. For example there is significant cost associated with keeping the church open nearly every day of the year, but we also derive significant income from the very fact that we are open. We should also not underestimate the value to the community of having one church in Warwick that is open as a place of refuge and prayer during the working week.

I hope that this letter has given you a good understanding of the financial challenges that we face each year and the way that we endeavour to manage them. If you would like to discuss the content of this letter with me, or have any questions you would like me to answer, please do not hesitate to ask me in person, or send an email to me at the address below.

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