



The Church of England
Diocese of Ely

ely2025

Ely2025

Programme 2022-25

and

Budget Guide 2025

Explanatory Notes

People Fully Alive: Ely2025

Foreword from Canon Tim Walters

Dear Colleagues,

Please find in the following pages the Budget for 2025 and very informative supporting notes.

We appreciate that the 2025 Budget is based again on a further small deficit of £204k. This is mainly because of the Clergy stipend increase of 7% to a level over and above what was included in our 2024 Budget, and the consequential additional costs, whilst maintaining the increase in ministry share to 4.5%. We continue to work hard on maximising our Glebe and investment income to ensure that the majority of our support overheads are not met from ministry share. The 2025 budget maintains our current level of stipendiary clergy and we will look to increase these numbers with alternative non-stipendiary options

We continue to aim for a balanced budget for 2026 and are looking at a total revision of the process and format to provide greater clarity and granularity. In future, we will look to provide budgets on a rolling three-year cycle with an indication of the direction of travel. We will also engage at a Deanery level at an early stage in the process on the key proposed parameters such as the Archbishops' Council recommended increases in stipends.

Finally, as mentioned in my foreword last year, we are now in our new offices and training centre, Etheldreda House. All of the staff occupying the building speak highly of their working environment and the increase in engagement and informal meetings between teams is very visible. The new offices construction cost was at no expense to parishes. We have utilised restricted funds that have accumulated over many years in the Diocesan Pastoral Account from parsonage property sales, which can only be spent on Diocesan buildings and so no Ministry Share funding has been used for this facility.

I hope that you find the following pages informative and my personal thanks to everyone's ongoing support to our Diocese.

Tim Walters
Chair of the Diocese Board of Finance

September 2024

Ely Diocesan Vision

We pray to be generous and visible people of Jesus Christ.

Believing that God calls us to discover together his transforming presence in our lives and in every community, in Jesus Christ we pray:

To engage fully and courageously with the needs of our communities, locally and globally

To grow God's church by finding disciples and nurturing leaders

To deepen our commitment to God through word, worship and prayer

Ely2025: Levers of Change

Lever 1 NURTURE a confident people of God

Lever 2 DEVELOP healthy churches and leaders

Lever 3 SERVE the community

Lever 4 RE-IMAGINE our buildings

Lever 5 TARGET support to key areas

*People Fully Alive : Ely2025
A strategy for growth (September 2015)*

People Fully Alive : Ely2025

Budget 2025

Key Points

- Our overall **strategic financial objective** for 2025 is to achieve a near balanced budget with a forecast deficit of only £204k. We will achieve this by freezing costs and managing a sustainable deployment plan for clergy and Diocesan Office posts. Bishop's Council will be kept updated regularly throughout the year as our financial position develops. Our main assumptions for the construct of the 2025 Budget are set out below (and on page 9 in greater detail)
- **Ministry share** for 2025 is expected to cover 94% of clergy costs for existing clergy and curates. Investment income normally covers the balance of direct clergy posts, 100% of the office running costs, but is not expected to contribute to the costs of education which are separately funded. In 2025 investment income is anticipated to improve slightly due to surpluses on sales of Glebe Land which are planned to be invested in capital to increase the levels of investment income received.
- **Overall ministry share increase of 4.5%** for 2025 is being requested to balance the increase by Church House of 7.0% in clergy stipends in 2024 when only 5.0% was budgeted and the ministry share increase request was only 4.0%. Deaneries where only 4.0%. Deaneries where they are still not meeting their target request are being asked for an additional amount £9,000 to begin bridging that gap.
The actual cost of a full-time clergy post to the Diocese for 2025 is £93,178 at a 3% stipendiary increase, comprising the stipend, employer's national insurance, clergy pension contributions and housing costs, plus clergy ministry and mission support costs.

WIDER MINISTRY COSTS & INVESTING IN THE FUTURE SUMMARY - 2025

	Full stipend	Half stipend	House for Duty
COSTS			
Stipend	31,327	15,664	-
NIC	3,067	906	
Pension	7,050	3,525	
	41,445	20,095	-
Housing	13,742	13,742	13,742
	55,187	33,837	13,742
Wider Ministry	25,287	25,287	25,287
Investing in the Future	12,704	12,704	12,704
FULL COST OF CLERGY POST	93,178	71,828	51,733
SUPPORT *see below			
Wider Ministry (up to 33%)	(8,345)	(8,345)	(8,345)
Investing in the Future (up to 100%)	(12,704)	(12,704)	(12,704)
SUPPORTED COST OF CLERGY POST	72,129	50,779	30,684

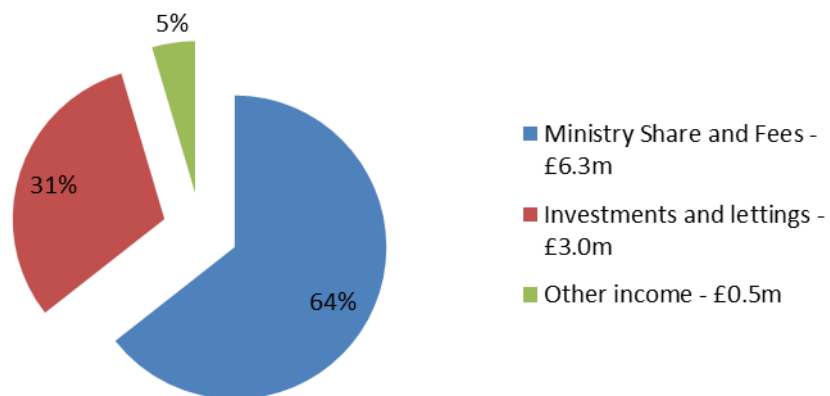
* When calculating the ministry share, every post is allocated a share of the investment income by reducing the charges for wider ministry costs and investing in the future. However, there are several deaneries that exercise Christian generosity and seek a lesser share of this income.

EDBF BUDGET 2025				
4.5% + £9k Parish Share Increase				
3.0% Stipend Increase				
	2025	2024	2023	2022
	Budget for year	Budget for year	Actual for year	Actual for year
EXPENDITURE				
Clergy stipends	4,017,275	3,865,008	3,462,161	3,674,454
Curates exc. housing	911,954	840,873	899,809	815,016
Housing costs	1,520,513	1,462,405	1,774,634	1,608,005
Clergy other	205,019	175,750	204,120	200,376
	6,654,761	6,344,036	6,340,724	6,297,851
Archdeacons	174,322	171,182	157,124	144,859
Mission & Ministry	673,584	786,496	653,640	510,017
Comms	127,940	117,126	125,642	
Education (net cost)	135,359	163,709	124,569	63,726
DDO & Vocations	126,193	94,797	63,858	41,059
Ordinands Grants	150,000	170,000	119,892	146,890
Safeguarding	255,334	260,820	226,723	236,656
Registry, DAC & Legal costs	401,006	376,121	348,568	394,574
IT & Office running costs	408,094	305,582	328,636	281,253
Project Office	45,187	31,884	29,219	144,536
Strategy & Giving	147,535	123,398	43,252	
Admin salaries	450,446	414,296	361,398	335,979
National Church	621,609	609,592	586,146	586,147
	10,371,369	9,969,039	9,509,391	9,183,547
INCOME				
Parochial Fees	300,000	300,000	295,544	322,073
Investment income	3,030,246	2,777,325	2,952,634	2,691,123
Donations and Grants	180,540	202,458	90,700	
Letting income	275,000	250,000	262,852	300,561
Other income	132,380	246,162	223,208	241,737
	3,918,165	3,775,945	3,824,938	3,555,494
Surplus of expenditure over income	6,453,204	6,193,094	5,684,453	5,628,053
MINISTRY SHARE INCOME				
Ministry Share request	6,532,270	6,246,603	6,025,270	5,716,172
DDR Discount	(164,429)	(142,477)	(144,890)	(124,778)
Deanery Discount	(119,125)	(111,934)	(109,395)	(94,616)
	6,248,716	5,992,192	5,770,985	5,496,778
NET SURPLUS/(DEFICIT) FOR YEAR	(204,487)	(200,902)	86,532	(131,274)
Forecast stipendiary clergy numbers				
Stipendiary clergy fte posts	104.0	104.0	104.0	104.0
Stipendiary clergy fte budget	96.0	96.0	94.3	94.1
Stipendiary Curates fte	23.0	22.5	23.3	19.5

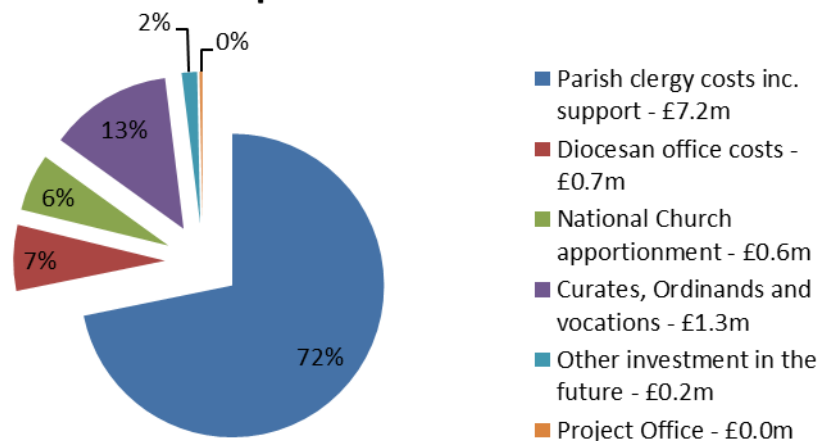


2024 Budget

Income 2024

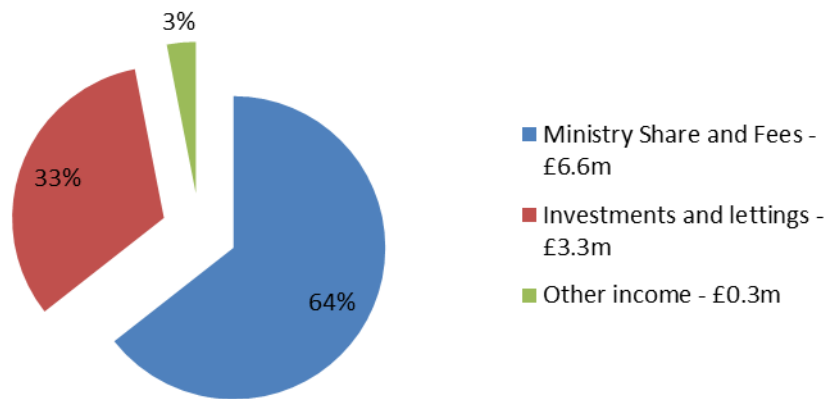


Expenditure 2024

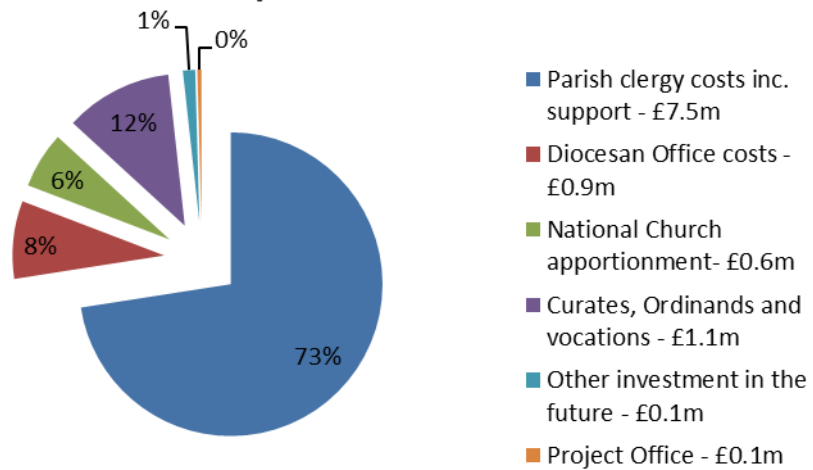


2025 Budget

Income 2025



Expenditure 2025



BUDGET 2025					
ELY DIOCESAN BOARD OF FINANCE					
4.5% + £9k parish share increase inc. inflation					2025 BUDGET version 11
3.0% increase in stipends					(exc. Market Towns)
INCOME					
	2022	2023	2023	2024	2025
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET
	£000s	£000s	£000s	£000s	£000s
GIVEN BY PARISHES					
Net Ministry Share received	5,497	5,723	5,771	5,992	6,249
Parish fees	322	300	296	300	300
	5,819	6,023	6,067	6,292	6,549
INVESTMENT INCOME					
Investment income (incl Glebe, net of costs)	2,691	2,764	2,953	2,777	3,030
Property letting income (net of costs)	301	200	263	250	275
	2,992	2,964	3,215	3,027	3,305
OTHER INCOME	242	380	314	449	313
TOTAL INCOME	9,052	9,367	9,596	9,768	10,167
EXPENSES					
PARISH CLERGY DIRECT COSTS	5,483	5,312	5,441	5,503	5,743
Ministry Support Costs	1,286	1,548	1,555	1,835	1,780
Diocesan Office Costs	617	665	690	720	859
TOTAL MINISTRY SUPPORT COSTS	1,903	2,213	2,245	2,555	2,638
CONTRIBUTION TO NATIONAL CHURCH	586	586	586	610	622
INVESTMENT IN THE FUTURE	1,211	1,401	1,237	1,301	1,369
TOTAL EXPENSES	9,184	9,512	9,509	9,969	10,371
(DEFICIT)/SURPLUS	(131)	(145)	87	(201)	(204)

Version 11 (MS 4.5% uplift + £9k) (3% stipends/salaries/inflation)

DRAFT EDBF BUDGET- 2025 - ASSUMPTIONS

Ministry share	- 4.5% increase in parish share including inflation for 2025 and 3.0% thereafter
	- Deaneries not meeting target request are asked for an additional amount £9,000 to bridge gap.
Inflation	- Assumed 0% as a working estimate
Parochial fees	- assumed fairly stable but this income has been gradually reducing over the years
Investment income	- assessment of forecast income by investment manager, incorporating anticipated Glebe sales
Letting income	- assumed fairly stable as unused properties have been sold but rents have increased
Other income	- £68,200 grant income assumed continues from Benefact Trust (was Allchurches)
Stipends	- 96fte budgeted stipendiary clergy posts equates to 104fte clergy posts less an average 8 vacancies
	- clergy stipends increased by 7.0% per annum for 2024/2025 and 3.0% from 2025/26 onwards
Curates	- curate numbers held at 23.0 for 2025; the 50% agreed increase on the base of 15
	- curate stipends increased 7.0% per annum for 2024/2025 and 5.0% from 2025/26 onwards
	- assumed SMF funding is received for 1.0 new curate in 2024 and then for none in 2025
Housing	- housing maintenance budget prepared by Stella but requested increases in budgets not included tree maintenance works and listed wall repairs paid for from designated funds from property sales
Clergy other costs	- some changes from 2024 budgeted figures; mainly removals costs and new appointment grants
Archdeacons	- costs increased by 0.0% annually but 3% for the main cost of Archdeacon stipends
Salaries	- payrise of average 7.0% as of 01/04/2024 and 3.0% as of 01/04/2025
	- office staffing has reduced in number by 0.73fte from the 2024 budgeted figures
Ministry & Mission	- overall costs held at lower level than 2024 budgeted figures for Mission & Ministry
	- i.e. £240k programme costs, including CME, LLM and LCOM training, and Mission initiatives
	- detailed narrative provided to support budget figures. Some increased staffing
Education	- separate Schools Fund/Education budget based on figures prepared by EDEC
DDO and Vocations	- the number of ordinands being trained is forecast to average 25 students overall in 2025
Ordinands grants	- some reduction in costs of ordinand maintenance grants and pooling charge credit is hoped for
Safeguarding	- DBS fees leveling out now for 3 year renewals and the additional costs of digital DBS checks
	- extra costs for "out of hours " support for phone line, database and dashboards
Legal and DAC costs	- Registrar fees are being increased by 5% (General Synod had been asked for 25%)
	- Historic Places of Worship Support Officer (0.5 externally funded) ends in 2027 now
	- Net costs of £41k for Net Zero Carbon project/recruitment after allowing grant funding
	- Community Support Advisor for Church Buildings Partnership with 50% grant funding
Administration costs	- 0% increase from 2024 budgeted costs for most office running and property costs
	- DPO and GDPR support additional costs included
	- office moved in Spring 2024, estimated running costs for new offices at EH are included
	- infrastructure & IT renewal budgets included, PR & Comms form part of the Strategy office
Admin salaries	- additional 1.2fte staff as receptionists
Strategy & Comms	- comprises staffing costs that do not relate directly to the Market Towns initiative
	- Diocesan Director of Strategy is part funded by CofE
	- 0% increase in PR and general communications budget has been included
National Church	- Archbishops' Council have not said apportionment payment will be held, allowed 0% increase

What's what ...

These notes describe the principal areas of income and expenditure in the 2025 proposed budget.

Income

- Ministry Share request has been increased by 4.5% plus Deaneries where they are still not meeting their target request are being asked for an additional amount £9,000 to begin bridging that gap.
- Investment income: The Assets Committee seeks normally to maintain a 5.0% increase in income each year over and above the level of inflation, but due to high level of inflation being anticipated in 2024 and into 2025 this may not be achievable. However, additional endowments from the sales of Glebe land will help to mitigate the effect together with some reorganisation of investments from capital growth into income generating.
- Parsonage letting income is expected to remain steady. Additional rental income is now received from letting the Retreat House to the King's School, Ely. Education may also benefit from a grant from the Diocese of Ely Religious Education Trust.

Parish Clergy Direct Costs

The first and most significant area of expenditure includes all the items necessary for placing and supporting ordained and lay ministers within the Diocese.

- Clergy Stipends: For 2025 the budgeted number of stipendiary posts is 96 full time equivalent (FTE). The posts are a mix of parochial stipendiary posts, other stipendiary clergy and pioneer posts. The 2025 figure of £5,743m represents stipends, pension, National Insurance contributions, housing, removals/resettlement grants and costs of vacancies. 64% of the budgeted expenditure relates to the direct costs of clergy.

The 2025 budgeted figure is calculated to reflect a 3.0% stipend increase for incumbents and a 5.0% increase for curates from 1 April 2025 to keep stipends from falling behind inflation and in line the National Church guidelines.

Ministry (Clergy and Parish) Support Costs

These are the costs of providing support to parishes and clergy plus several statutory functions. They include:

- Archdeacons (with support staff)
- Ministry and Mission support and training
- Clergy support and counselling
- Stewardship support
- Safeguarding
- Legal fees
- Church inspection and faculty fees

Overall, 25% of the budget is spent on these operational items; including the costs of Ministry and Safeguarding to support the Ely2025 strategy. All expenses incurred by the Bishops and their offices are paid by the Church Commissioners and are not included in this budget. Likewise, the Cathedral is directly funded by the Church Commissioners and not by the Diocese.

Diocesan Office Costs

These are the costs of administration for the Diocese which include:

- Salaries for administration staff
- Office running costs and maintenance
- Parsonage maintenance management
- Church Buildings Support (work carried out in-house)
- Board and Committee expenses
- Communications and Public Relations
- Audit and accountancy advice, finance, gift aid support, trusts administration
- Legal advice

Wherever possible, overhead costs are not being increased, although salaries have been increased by up to 3.0% in the 2025 budget. There was a 7.0% percentage increase in staff salaries in April 2024 in line with the clergy stipend increase. Parsonage maintenance cost rises are running significantly ahead of inflation.

Contribution to National Church

This heading brings together all the costs associated with our support for the Church of England, together with costs associated with training new clergy in theological colleges. The main element in the National Church Support figure includes the central administration, some funding for retired clergy housing and some clergy associated with the Church of England's National Mission.

The Archbishops' Council has made a commitment to keep costs down and the actual apportionment request for 2024 was lower than the budgeted figure. The budget for 2025 for the Diocese has been increased by 5.0%, apart from the pooling system for ordinands' maintenance grants.

Investment in the Future

- Curates
- Bishop's Change Officer for Market Towns
- Director of Ordinands and Vocations
- Local Ordinands maintenance grants

The 2025 budget is for 23.0 curates (22.5 for 2024) in line with National Church Guidelines for maintaining the numbers previously increased by 50%. Overall, 13% of the budget is spent on these operational items; it is set at a slightly lower figure than the 2024 actual as that incorporated an anticipated credit from the National Church pooling system for Ordinands' Maintenance grants related to expenditure in 2022-23.

Deficit

As a charity and not-for-profit organisation, the Diocese aims to break even over time. Due to fluctuations in circumstances, surpluses and deficits are made annually. Recent years have returned a small surplus, while in earlier years deficits have been incurred. Due to the generosity of parishes in their gifting and an unexpected large one-off receipt of investment income, the outcome in 2023 was a small deficit of £145k. In 2024 a small deficit is expected to arise due to the impact on the Diocesan costs and on parishes of rising inflation rates.

However, the Diocese has made cost savings wherever possible for the 2025 budget and it is hoped there may only be small deficit of £204k arising for the year.

Reserves policy

Any surpluses which have been built up over years are known as reserves. The Charity Commission requires us to have a policy. The Diocesan Reserve Policy is a target for free reserves (net of tangible fixed assets and investments). The policy has been reviewed at the suggestion of the auditors and is currently set at an amount equivalent to six months' gross expenditure from unrestricted funds estimated at £6.25m (2023). This policy ensures they have been set at a sufficiently high level so that the Diocese is retaining adequate reserves to support a potential major drop in annual ministry share receipts. At 31 December 2023, the free reserves of the Diocese amounted to £6.0m, which is slightly lower than the minimum required.

CONTACT

If you have any comments or would like more information, please contact:

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This guide is also available on the Diocesan website

www.elydiocese.org