



DIOCESE of
WINCHESTER

Management Report

31 March 2024

Winchester Diocese Board of Finance
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Executive Summary

Result – General and All Funds:

The result for the first quarter of 2024 on the General Fund is a deficit of £557k. The budget for the period showed a deficit of £226k and the same period in 2023 showed a deficit of £209k.

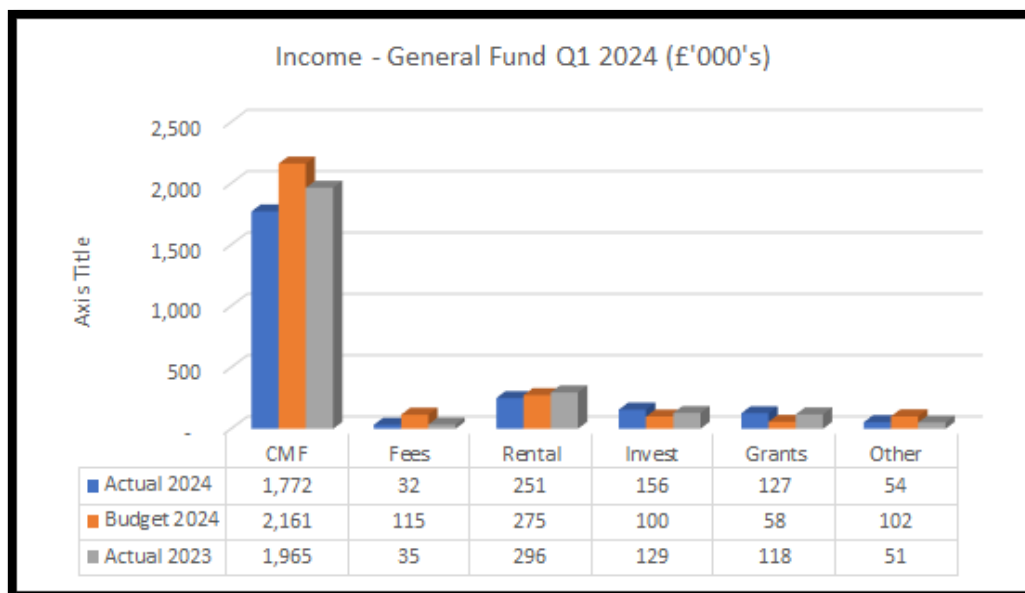
General Fund £'000s	Actual 2024	Budget 2024	Actual 2023
Income	2,392	2,810	2,593
Expenditure	(2,949)	(3,036)	(2,802)
Operating (Deficit)/Surplus	(557)	(226)	(209)
Gains / Transfers	0	0	0
(Deficit)/Surplus	(557)	(226)	(209)

Overall, the result for all funds (General fund, plus restricted, designated and endowment funds) is a deficit of £820k, which is a fall on the previous year, which showed a deficit of £202k.

All Funds £'000s	Actual 2024	Actual 2023
Income	2,618	3,004
Expenditure	(3,438)	(3,225)
Operating (Deficit)/Surplus	(820)	(221)
Gains / Transfers	0	19
(Deficit)/Surplus	(820)	(202)

Income – General Fund:

Total income for the quarter is £2,392k against budget of £2,810k and against £2,593k in 2023.



CMF at £1,772k is lower than budget and the same period in 2023 and is discussed in the section following.

Parochial fees for the quarter are £32k which is slightly below 2023 levels and well below the 2024 budget. There are still some parishes that have not completed their fees returns for 2023, with an element of reduction in activity also within the parishes.

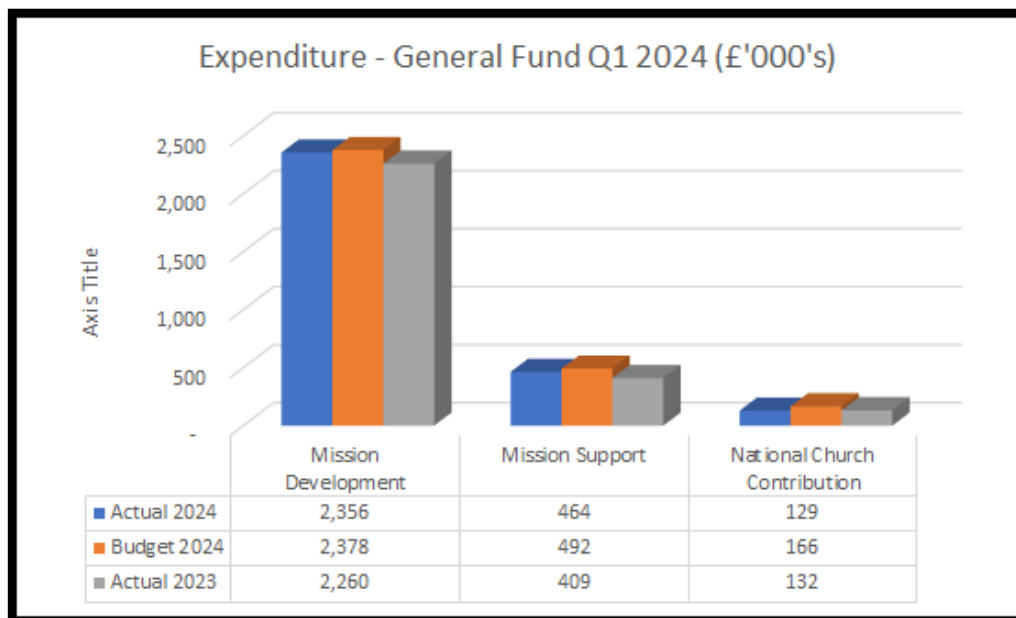
Rental income for the quarter is £251k and below both the budget and the same period in 2023. The fall in income from last year is due to some properties being sold in 2023 and/or are currently vacant in preparation for sale. We also have several houses occupied by our clergy now, when these were previously rented out. As a comparison, in Q1 2024 we received rental income from 54 properties compared to 69 properties in Q1 2023.

Investment Income (including bank interest) for the quarter is £156k and higher than both the budget and the same period in 2023. The investment income element is consistent at £54k per quarter while our bank interest is higher. This is due to the cash held in our deposit account to pay for the final renovation works at Old Alresford Place.

Income from grants for the quarter is £127k which is higher than budget and 2023. The amount reflects the funding obtained from Archbishops Council for 2021, 2022 & 2023 SMF cohorts. Other income of £54k is in line with what we saw in Q1 2023.

Expenditure – General Fund:

Total expenditure for the quarter is £2,949k against a budget of £3,036k and £2,802k for Q1 2023.



Mission Development Costs are in line with budget and ahead of 2023 cost, due to the 7% rise in stipends in April 2023. This area includes Clergy Remuneration, Clergy Housing and Clergy Support costs. Clergy stipends will also increase by 7% from Apr 2024. Clergy numbers covered by our stipendiary costs (including new appointees and leavers where relevant) per months are as follows:

	Jan-24	Feb-24	Mar-24
Archdeacon	1.50	1.50	1.50
Incumbent	100.35	100.35	100.35
Curate	28.50	28.50	28.50
Third party funded	0.30	0.30	0.30
	130.65	129.15	129.15

Mission Support Costs are lower than budget but ahead of last year, due to inflation and timing of the 2024 clergy conference. Costs covered in this area include support functions of Central Office, Finance, HR, IT, and Registrar/Legal.

National Church contributions for the quarter are in line with the equivalent cost for 2023.

Balance Sheet:

The Balance Sheet total at the end of the quarter is £182.2m. The balance sheet in Appendix 4 does not include the movement in our investment portfolio, which we plan to reflect quarterly from Q2 2024 onwards.

Our CCLA portfolio, including Deposit Funds (included with Cash), has grown by £629k in Q1 2024 – this represents growth of 2.94% on our Investment Funds, a fall of 0.82% on our Property Fund. In addition to this, we earned interest of £269k on our Deposit Funds.

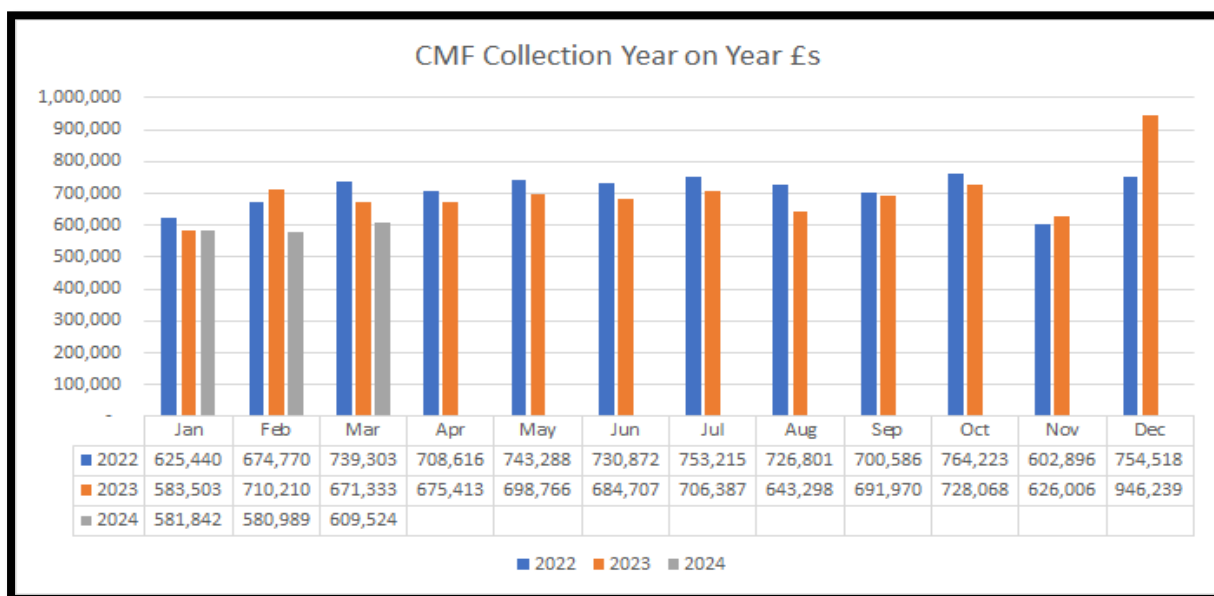
Total cash at the end of Mar 2024 is approx. £9.7m across all funds. The majority of this is held in deposit funds at CCLA and currently earns interest of 5.25%, with £150k held in our bank current account.

Creditors and liabilities are approximately £2.8m and has increased from Dec 2023, as we had a couple of particularly large suppliers' payment runs in the quarter. Creditors also include £459k of Loans from Parishes, which we plan to repay to the parishes in the second half of 2024.

Debtors of circa £2.4m include Parish Loans of £798k and loans to LSE of £650k, with repayments on this being in the region of £75k per annum.

Common Mission Fund (CMF)

The CMF collection for Q1 2024 amounts to £1,772k, which is £341k below budget and £193k lower than Q1 2023. This represents a collection rate of 83.9% and continues to be a strain on Diocesan resources. The CMF review group are working closely with our parishes to better understand the issues parishes are experiencing.



The collection rate by Deanery for the year is as follows. Note, the request amount does vary slightly from the budget figure as it changes during the year in response to any special measures or other amendments. The budget remains fixed for the year.

Deanery	2024 Q1 Request £	2024 Q1 Received £	2023 FY Received £
Alresford	103,938	68,263	374,233
Alton	112,271	112,325	398,628
Andover	125,142	107,148	501,545
Basingstoke	179,677	164,193	700,081
Odiham	171,194	150,002	759,449
Whitchurch	118,980	74,799	469,851
Winchester	247,754	249,789	1,060,550
Bournemouth	160,524	95,872	539,449
Christchurch	169,749	116,756	628,147
Eastleigh	152,273	156,176	650,081
Lyndhurst	261,196	193,169	987,616
Romsey	147,207	132,831	637,745
Southampton	163,125	151,030	658,524
	2,113,032	1,772,355	8,365,900

Clergy Costs

Expenditure on our clergy and related costs amounted to £1,954k, compared to budget of £1,956k and against the 2023 Q1 cost of £1,817k, split as follows:

Clergy Costs (Mission Development)	2024 Actual £'000s	2023 Budget £'000s	2023 Actual £'000s
Clergy Remuneration	1,313	1,362	1,227
Clergy Support	123	83	125
Clergy Housing	518	510	464
	1,954	1,956	1,817

Clergy Remuneration:

Costs for the year to date were £1,313k against a budget of £1,362k and £1,277k against the 2023 Q1 cost and is broken down as follows:

	Actual 2024	Budget 2024	Actual 2023
Stipends - Clergy & Archdeacons	768,588	806,980	719,339
Stipends - Curates	213,951	216,859	184,130
Pension Contributions	245,227	252,636	244,596
NI & Apprenticeship Levy	79,937	85,521	72,531
Church Army employment costs	5,599	-	6,673
	1,313,302	1,361,996	1,227,268

Stipends will increase by 7% in Apr 2024, with the contributions to the clergy pension scheme falling from 28% to 25% of the previous year's National Minimum Stipend (NMS) in Jan 2024.

Clergy Support:

Costs for the year to date are £123k compared to budget of £83k and £125k for Q1 2023. The figures are analysed as follows:

	Actual 2024	Budget 2024	Actual 2023
Resettlement Grants - Grants paid	58,000	44,352	55,612
First Appointment Grants	45,308	20,786	53,580
Salary & related costs (staff seconded to Hants Constabulary)	14,132	14,309	13,313
Other Costs	5,331	3,920	2,772
	122,771	83,367	125,277

We paid 16 Resettlement Grants and 16 First Appointment Grants in the quarter. Most of our recent clergy appointments are First Incumbencies and are therefore eligible for the grant.

Clergy Housing:

Expenditure for the year is £518k and is over budget and the spend in the previous year. This is largely driven by works needed to house our new clergy appointments. However, we also continue to see the impact of high costs of materials and labour in the works carried out on our properties.

The above figures do not include the costs incurred on the refurbishment of Old Alresford Place ahead of our proposed move of the staff team from Wolvesey in June 2024 as these costs are being capitalised.

Appendix 1 – Designated, Restricted & Endowment Funds Q1 2024

Result – All Funds:

The result for Q1 2024 for all funds (Unrestricted, Restricted, Designated and Endowment) is a deficit of £820k. Q1 2023 showed a deficit of £221k.

Income – All Funds:

Total income across all funds for the quarter was £2,618k. This is circa 13% down on the previous year 2023 of £3,004k and is mostly accounted for by the CMF shortfall and the late billing of the SDF/DIP income. The SDF billing was done in Apr 2024, due to a change in approach implemented by Archbishops' Council. Total income for the quarter across all funds is summarised as follows:

	General	Restricted	Designated	Endowment	Total 2024	Total 2023
Common Mission Fund	1,772,355	-	-	-	1,772,355	1,965,046
Fees	32,068	-	-	-	32,068	34,625
Rental Income	250,543	7,505	-	-	258,048	303,659
Investment Income	156,203	138,164	8,858	7,010	310,235	264,676
Grants Received	126,868	64,477	-	-	191,345	385,085
Other Income	54,018	-	-	-	54,018	50,694
	2,392,055	210,146	8,858	7,010	2,618,068	3,003,784

Grant income on the restricted fund of £64k includes £62k from Archbishops' Council for RMF Funding for the second term of 2023/24.

Expenditure – All Funds:

Total expenditure across all funds for Q1 2024 was £3,438k, slightly above the Q1 2023 figure of £3,225k but does vary by fund activity. Fund type expenditure for the quarter is summarised as follows:

	General	Restricted	Designated	Endowment	Total 2024	Total 2023
Mission Development	2,356,338	440,735	-	-	2,797,073	2,597,709
Mission Support	463,741	888	9,271	-	473,900	457,406
National Church Votes 1-5	128,539	38,270	-	-	166,809	169,565
	2,948,618	479,893	9,271	-	3,437,782	3,224,680

Appendix 2 – Income & Expenditure (General Fund) Q1 2024

WDBF	Jan to Mar 2024 - General Fund						
	Actual	Budget	Actual	Variance		Variance	
	2024	2024	2023	Act vs Budget		2024 vs 2023	
	£'000	£'000	£'000	£'000	%	£'000	%
INCOMING RESOURCES							
Common Mission Fund	1,772	2,161	1,965	(389)	-18%	(193)	-10%
Fees	32	115	35	(83)	-72%	(3)	-7%
Rental Income	251	275	296	(24)	-9%	(46)	-15%
Investment Income	156	100	129	56	56%	28	21%
Grants Received	127	58	118	69	121%	9	8%
Other Income	54	102	51	(48)	-47%	3	7%
Total Income	2,392	2,810	2,593	(418)		(201)	
RESOURCES EXPENDED							
Clergy Remuneration	1,313	1,362	1,227	49	4%	86	7%
Clergy Support	123	83	125	(39)	-47%	(3)	
Clergy Housing	518	510	464	(8)	-2%	54	12%
Winchester School of Mission	210	219	242	8	4%	(32)	-13%
Mission Action	-	-	0	0	0%	(0)	-100%
Education	87	91	81	5	5%	6	8%
Safeguarding	71	68	70	(3)	-5%	2	3%
Communication	34	44	52	10	24%	(18)	-35%
Mission Development Total	2,356	2,378	2,260	22		96	
Central Support	196	196	189	1	0%	7	4%
Finance	45	125	60	80	64%	(15)	-26%
Loan Interest	7	3	0	(4)		7	
HR	70	78	72	8	10%	(2)	-3%
Diocesan Office	69	63	55	(5)	-8%	14	25%
Registrar and Legal	31	26	28	(5)	-19%	3	10%
Synodical Government	48	1	5	(46)		42	
Mission Support Total	464	492	409	28		55	
Training for ministry	65	74	66	9	12%	(0)	-1%
National Church responsibilities	63	54	63	(9)	-17%	1	1%
Mission agency support	-	-	3	0	0%	(3)	-100%
Clergy retirement housing	-	38	1	38	100%	(1)	
Other						0	
National Church Votes 1-5	129	166	132	37		(3)	
TOTAL EXPENDITURE	2,949	3,036	2,802	87		147	
Operating Surplus/(Deficit) before transfers	(557)	(226)	(209)	(331)		(348)	

Appendix 3 – Income & Expenditure (All Funds) Q1 2024

WDBF	Jan to Mar 2024 - General Fund					Jan to Mar 2024 - All Funds	
	Actual	Budget	Actual	Variance		Actual	Actual
	2024	2024	2023	Act vs Budget		2024	2023
	£'000	£'000	£'000	£'000	%	£'000	£'000
INCOMING RESOURCES							
Common Mission Fund	1,772	2,161	1,965	(389)	-18%	1,772	1,965
Fees	32	115	35	(83)	-72%	32	35
Rental Income	251	275	296	(24)	-9%	258	304
Investment Income	156	100	129	56	56%	310	265
Grants Received	127	58	118	69	121%	191	385
Other Income	54	102	51	(48)	-47%	54	51
Total Income	2,392	2,810	2,593	(418)		2,618	3,004
RESOURCES EXPENDED							
Clergy Remuneration	1,313	1,362	1,227	49	4%	1,313	1,227
Clergy Support	123	83	125	(39)	-47%	130	128
Clergy Housing	518	510	464	(8)	-2%	518	464
Winchester School of Mission	210	219	242	8	4%	246	324
Mission Action	-	-	0	0	0%	397	253
Education	87	91	81	5	5%	87	81
Safeguarding	71	68	70	(3)	-5%	71	70
Communication	34	44	52	10	24%	34	52
Mission Development Total	2,356	2,378	2,260	22		2,797	2,598
Central Support	196	196	189	1	0%	205	231
Finance	45	125	60	80	64%	45	66
Loan Interest	7	3	0	(4)		7	0
HR	70	78	72	8	10%	70	72
Diocesan Office	69	63	55	(5)	-8%	69	55
Registrar and Legal	31	26	28	(5)	-19%	31	28
Synodical Government	48	1	5	(46)	-3866%	48	5
Mission Support Total	464	492	409	28		474	457
Training for ministry	65	74	66	9	12%	65	66
National Church responsibilities	63	54	63	(9)	-17%	63	63
Mission agency support	-	-	3	0	0%	-	3
Clergy retirement housing	-	38	1	38	100%	38	39
Other	-	-	-	-	-	-	-
National Church Votes 1-5	129	166	132	37		167	170
TOTAL EXPENDITURE	2,949	3,036	2,802	87		3,438	3,225
Operating Surplus/(Deficit) before transfers	(557)	(226)	(209)	(331)		(820)	(221)

Appendix 4 – Balance Sheet Q1 2024

WDBF Balance Sheet as at 31 Mar 2024		
	Mar 2024	Dec 2023
	£'000	£'000
FIXED ASSETS		
Tangible assets	147,259	146,564
Investments	25,494	25,494
	<u>172,753</u>	<u>172,058</u>
CURRENT ASSETS		
Debtors	2,576	2,993
Cash on deposit	9,123	8,855
Cash at bank and in hand	561	1,252
	<u>12,261</u>	<u>13,100</u>
CREDITORS: amounts falling due within one year	(1,942)	(1,259)
NET CURRENT ASSETS	<u>10,319</u>	<u>11,841</u>
Total assets less current liabilities	183,072	183,899
CREDITORS: Amounts falling due after more than one year	(883)	(890)
Pension scheme liabilities	-	-
NET ASSETS	<u><u>182,189</u></u>	<u><u>183,009</u></u>
FUNDS		
Unrestricted income funds:		
General funds	37,548	38,105
Designated funds	1,722	1,722
	<u>39,270</u>	<u>39,827</u>
Restricted funds	11,337	11,607
Endowment funds	<u>131,582</u>	<u>131,575</u>
TOTAL FUNDS	<u><u>182,189</u></u>	<u><u>183,009</u></u>

Notes on Balance Sheet:

- Property and Investments are currently only revalued at year end and so these reflect the valuations at Dec 2023 apart from any additions or disposals in the year to date. We will update the investments valuations quarterly from Q2 2024 onwards.

Appendix 5 – Analysis of Reserves Q1 2024

WDBF Funds Summary - Mar 2024		Dec-23	Income	Expenditure	Net	Mar-24
Unrestricted Funds						
UF01	General Fund	38,105,050	2,392,055	(2,948,618)	(556,563)	37,548,487
		38,105,050	2,392,055	(2,948,618)	(556,563)	37,548,487
		0				
Designated Funds						
DF02	Parish mission and development	1,000	-	-	-	1,000
DF03	Maclean	507,195	5,193	-	5,193	512,388
DF04	OAP Property	753,297	-	-	-	753,297
DF05	Building New Church	355,098	1,671	-	1,671	356,769
DF07	Mission Growth Fund	106,100	-	-	-	106,100
DF11	Clerical Registry fund	-	1,994	(9,271)	(7,277)	(7,277)
		1,722,690	8,858	(9,271)	(413)	1,722,277
		(509)	(8,858)	9,271		
Restricted Funds						
RF02	Pastoral fund	101	30	-	30	131
RF03	Parsonages endowment income	1,000	-	-	-	1,000
RF04	Clergy houses fund	3,045,284	15,732	(38,888)	(23,155)	3,022,129
RF05	Major Ball settlement income	3,934	1,207	0	1,207	5,142
RF06	Penrose income fund	78,457	4,085	-	4,085	82,541
RF07	Clergy welfare income fund	872,102	54,085	(7,613)	46,472	918,574
RF08	Chalke Bequest income	14,680	639	-	639	15,319
RF10	Church schools fund	13,754	-	-	0	13,754
RF11	Queen Victoria clergy fund	2,300	-	0	0	2,300
RF12	Pember income fund	82,897	-	-	-	82,897
RF13	Widows and dependants fund	1,058,540	9,604	0	9,604	1,068,144
RF14	Thorold library fund	24,000	-	-	-	24,000
RF15	ICSF grant fund	469,496	2,990	-	2,990	472,486
RF16	Council for Social Responsibility	863,200	13,407	0	13,407	876,607
RF17	Fairbairn trust	380,062	3,292	(270)	3,022	383,084
RF18	Tale Tellers	2,046	36	-	36	2,081
RF19	Christopher library	4,000	-	-	-	4,000
RF20	RME Training for Mission	570,363	-	(36,014)	(36,014)	534,349
RF21	Winchester Mission Action	527,854	-	(397,043)	(397,043)	130,811
RF23	Northbrook	3,825	-	-	-	3,825
RF27	Schools Development Fund	3,499,520	42,663	-	42,663	3,542,183
RF29	Giving Advisor	36,000	-	-	0	36,000
RF31	Net Zero Carbon Funding	6,307	-	0	0	6,307
RF32	RMF Ordinands	47,206	62,377	(65)	62,312	109,518
		11,606,926	210,146	(479,893)	(269,747)	11,337,179
Endowment Funds						
EE01	Benefice houses	97,473,406	-	-	-	97,473,406
PE01	Stipends fund capital	24,268,349	5	-	5	24,268,354
PE02	Parsonages endowment capital	862,811	-	-	-	862,811
PE03	Major Ball settlement capital	171,748	-	-	-	171,748
PE04	Penrose capital	377,122	-	-	-	377,122
PE05	Clergy welfare capital	6,905,805	-	-	-	6,905,805
PE06	Chalke bequest capital	68,145	171	-	171	68,316
PE07	Widows and dependants capital	216,457	-	-	-	216,457
PE08	Thorold library capital	238,849	-	-	-	238,849
PE09	Pember capital	961,508	6,834	-	6,834	968,342
PE10	Christopher Library	5,211	-	-	-	5,211
PE11	Chute endowment	24,620	-	-	-	24,620
		131,574,030	7,010	-	7,010	131,581,040
	TOTAL	183,008,696	2,618,068	(3,437,782)	(819,713)	182,188,983

Appendix 6 – Analysis of Debtors & Creditors Q1 2024

Debtor balances at March 2024 were £2.576m compared with £2.992m at Dec 2023.

Debtors	Total 2024	Total 2023
Loans to Parishes	797,785	1,065,139
Loans to Schools	65,000	65,000
Loans to Staff	11,124	11,811
Loans to LSE	650,500	650,500
Amounts owed from other Diocesan Entities	- 14,328	51,221
Loan to Gellander Estate	64,863	64,863
Loan to Revd Binder	49,220	49,220
Sales Ledger Debtor	67,887	305,019
Prepayments & Accrued Income	599,072	703,023
Other Debtors	285,259	26,725
	2,576,382	2,992,521

Creditor balances at March 2024 were £2.824m compared with £2.149m at Dec 2023.

Creditors - due within 1 year	Total 2024	Total 2023
Loans from Parishes	459,484	459,484
Church Commissioners Loan	12,250	12,250
NatWest Loan	17,933	17,933
Creditor relating to closed school	399,297	399,297
Purchase Ledger Creditor	892,913	148,828
Sundry Creditors & Accruals	160,101	221,329
	1,941,980	1,259,122
Creditors - due after 1 year	Total 2024	Total 2023
CCLA Loan (repayable by Oct 2026)	350,000	350,000
Church Commissioners Loan	181,093	184,156
NatWest Loan	123,846	128,330
Loan Revd Rose (old)	178,700	178,700
Loan Dean Goss CC (old)	49,220	49,220
	882,859	890,405
TOTAL CREDITORS	2,824,839	2,149,527