



Scottish Episcopal Church
The Diocese of Edinburgh

Covering the City of Edinburgh, the Borders, Falkirk and the Lothians

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Area Council Convenors
Church Treasurers
copy by email to: Rectors/Priests-in-Charge

November 2017

Dear Convenor/Treasurer

Quota 2018

I am writing to inform you of the quota payments agreed following the recent autumn Synod. I attach a table which shows the amounts due from each Area Council, and from each individual congregation. This letter also requests Charges to complete the annual finance schedule and return it with Charge accounts.

All those attending Synod received details of the Diocesan budget for 2018. Any Treasurer who has not seen this paper can obtain a copy from Simon Filsell at the Diocesan Office.

As the Synod budget paper sets out, the total budgeted expenditure in 2018 amounts to £787,300. This is an increase of less than 1% on the 2017 budget, but the budgeted deficit in 2017 of £22,300 is unsustainable, and we aspire to reduce it next year by at least one half. Synod agreed to approve an increase in quota of 3%, resulting in a budgeted 2018 deficit of £10,400.

After payment of Provincial quota (which accounts for 36% of our budget and is 3.1% up on 2017), the main focus of diocesan expenditure continues to be mission and ministry. Provision has been made for enhanced support for mission and communications. Grants will continue to be available for Charges from the St Hilda's fund (for mission projects and curate support), the St Andrew's fund (for emergency building repairs), and the provincial Dunderdale fund.

The Diocese regularly reviews all its costs; administration and governance costs are not expected to increase by more than 1% in 2018. However, as noted, the budget approved by Synod for 2018 will result in a deficit of £10,400, which will require to be met from reserves. Quota requested for 2018 represents 10.4% of average quota assessable income (2017: 10.3%) – a lower percentage than other Scottish dioceses.

Diocesan quota is calculated on a weighted average based on adjusted income over the previous three years. The actual change for an individual congregation therefore depends on its recent income. Significant variations in the increases and decreases of quota among congregations arise from increasing or decreasing giving received by Charges. More than half the Charges in the Diocese will see their quota reduce, or increase by less than 3%.

Congregations whose giving is falling will wish to consider ways to improve their finances, possibly through a stewardship initiative. The Diocese is more than happy to provide advice and assistance to any congregation which wants to launch such an initiative.

Standing Committee is aware that a number of congregations may still find difficulty in coping with an increase in quota, as well as other cost increases. However, as you know, the final decision on the level of quota paid by each congregation is made by Area Councils. It is hoped that Area Councils will consider providing financial assistance to those congregations which may find it difficult to cope with quota payments. It would be helpful if Area Councils could continue to take the lead in ensuring that quota is fully paid in their area.

During 2015 we introduced a direct debit payment facility; all Charges for whom we provide a payroll service and one-third of Charges paying quota now utilise this facility. Direct debiting has worked well in the Diocese, and it spares Charge Treasurers from the need to update payments. Once the requisite form has been signed, all necessary actions are taken by the Diocese on your behalf (and we notify Treasurers when a change occurs).

We strongly encourage all Charges to make quota payments by direct debit; the appropriate form is enclosed for completion. For Charges who are unable to do this, we should be grateful if the current standing order instruction is amended to take effect from 1 January 2018. Quota is normally paid through the calendar year in either 10 or 12 instalments.

Finance schedule and accounts

As noted above, the Quota requested from Charges is based on average adjusted income, as notified by Charge Treasurers and checked with Charge accounts. Enclosed with this letter for completion by Treasurers is the annual finance schedule for 2017. The schedule is accompanied by a guidance leaflet to assist with completion of the form. The completed schedule will be used to assess quota for 2019.

We request Treasurers to complete and return the form together with Charge annual accounts as soon as possible, but not later than 31 January 2018. Please provide the full annual document as prepared for submission to OSCR (trustees report, accounts, notes, and independent examiner's or auditor's report). Draft accounts may be submitted with the finance schedule, but we request that final signed accounts are provided when available.

We ask Treasurers to ensure that the starting figure on the schedule represents total income from all sources in all accounts and funds; any requested exclusions should then be notified in the appropriate area of the form. This information is checked by the Provincial Office with data held by OSCR, and the Diocese is expected to explain any discrepancies which may occur.

I will be happy to discuss and answer any points of detail should you wish to get in touch.

I am emailing a copy of this letter to the Rector/Priest in Charge for information.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Ian Lawson', with a long horizontal flourish underneath.

Ian Lawson
Convener, Diocesan Finance and Management Committee