

From the Diocesan Treasurer

To all Treasurers in the Diocese of Edinburgh, copied to Rectors, Priests-in-charge and Lay Reps

17 October 2024

Dear Treasurer,

Before the October Synod, I want to alert you to the proposal I am going to put to Synod for quota in 2025.

I wrote to you on 15 July with the good news that the Diocese would be able to absorb the full cost of the exercise to register church properties held in the names of the Diocesan Property Trustees, without resorting to the proposed additional levy of £250 per property (50% of the cost) on the congregations that made use of them. I also pointed out that the change in pension contributions would represent an annual saving of over £3,000 per stipend. Standard Stipend has now been set for 2025 at £34,308 (4% higher than in 2024), so the pension saving is just a few pence short of £3,500.

But I also included a word of warning in my email of 15 July, that quota may well have to rise more than in recent years.

You may recall that in 2021, in response to the pandemic, the Province reduced the level of financial contributions it sought from Dioceses. We passed our share of this reduction on to congregations in full, in the form of a 10% reduction in Diocesan Quota. In the following three years, our share of provincial quota rose by 25% to a level fractionally higher than in 2020. However, to help counter the effect on congregations of large rises in inflation, and particularly stipend, we held the Diocesan quota three-year increase to 8%.

Now that inflation has slowed down, I will be proposing to Synod that Diocesan quota in 2025 should rise by a further 8% in total. The effect on individual Charges will, as ever, be different depending on income levels, but for most congregations the increase will be well less than the saving in pension costs. And, even with that increase, Diocesan Quota will only be 4.7% higher than it was in 2020 so the level has been successfully contained during a period of what was exceptionally high inflation. (In the same period, our share of Provincial quota will have risen by 10.3%, while it will in 2025 be 7.7% higher than 2024.)

In keeping quota levels down over the past three years, we have been budgeting for annual deficits on our general fund, which we were able to do while we had surpluses that we could utilise from the pandemic years, when staff levels and activities had to be reduced. In budgeting for an 8% increase in 2025, I am hope that the Diocese will break even, subject to any contingencies, as shown in the attached draft budget, which I will be presenting to Synod on 24 October.

We are mindful of the need for the Diocese to be cost conscious and to provide good service. To this end we will continue to strive to offer Clergy and Vestries appropriate support while keeping costs within the budgets approved by Synod.

Please let me know if you have any questions.

With best wishes

Ian

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General Fund: Half year 2024 accounts and 2025 Budget

2024 Gen Fd Budget £'000	INCOME	2024 General Fund			2025 Gen Fd Budget £'000
		Actual 6 months £'000	Projected 12 months £'000	Projected budget use	
2.5	Donations	2.6	3.5	138%	2.5
511.8	Quota from congregations	255.7	511.8	100%	552.8
69.5	Provincial grants for Gen Fund costs	35.3	70.6	101%	72.9
7.2	Other grants (Benefact and Walker)	5.5	12.7	177%	11.6
18.0	Income from charitable activities	2.5	21.5	119%	22.0
8.7	Income from Diocesan services	2.7	8.6	98%	8.3
92.2	Investment income (UTP and bank)	48.0	101.3	110%	102.4
710.0	TOTAL INCOME	352.3	729.9	103%	772.5
EXPENDITURE					
301.5	Provincial quota and wider church	149.3	301.6	100%	323.5
152.6	Office of Bishop and Dean	76.0	143.0	94%	133.0
118.7	Mission and Ministry (note 1)	40.8	129.2	109%	132.4
159.3	Support Costs (note 2)	84.2	159.9	100%	157.0
20.2	Governance	11.9	24.1	120%	27.3
752.3	TOTAL EXPENDITURE	362.2	757.8	101%	773.2
(42.2)	Net income/(expenditure)	(9.9)	(27.9)		(0.7)
20.0	Contingency				20.0
(62.2)	Surplus/deficit	(9.9)	(27.9)		(20.7)

2024 Budget	NOTES	Actual 6 months	Projected 12 months	Projected budget use	2025 budget
1 Mission and Ministry					
3.7	<i>Training for the clergy</i>	0.5	2.8	74%	3.7
75.4	<i>Support for existing clergy and lay readers</i>	25.3	92.5	123%	94.0
8.3	<i>Central mission costs</i>	4.7	6.6	80%	8.0
1.2	<i>Youth & children</i>	0.5	1.0	83%	1.2
19.8	<i>Administrative support</i>	9.0	18.3	92%	17.7
10.3	<i>Grants to congregations and individuals</i>	0.9	8.0	78%	7.8
118.7		40.8	129.2	109%	132.4
2 Central support costs					
89.7	<i>Staff</i>	46.0	90.7	101%	84.5
33.1	<i>Office costs</i>	19.2	35.7	108%	34.3
36.6	<i>Facilities and services</i>	19.0	33.5	92%	38.2
159.3		84.2	159.9	100%	157.0