

KEY ISSUES for 2007

Income

- **Common Fund** contributions from parishes are budgeted to increase by 2.6%. This is less than the target requested in summer 2006.
- **Overall income** is budgeted to rise by 2%

Expenditure

- The budget assumes a 2% increase in **stipends and salaries**, and constant clergy numbers.
- **Pensions** - the Church of England Pensions Board decided to increase contributions towards clergy pensions by six percentage points, from 33.8% to 39.8% of the national minimum stipend. This increases costs by about half a million pounds.
- The costs of **maintaining parsonages** have been limited by deferring some quinquennial works until 2008.

Deficit

- A deficit of £542,000 is budgeted, equal to the increased pension costs.

OUTLOOK for 2008 and beyond

To maintain the 2006 level of activity we need to raise roughly an additional £1million in 2008.

Part of the London Challenge 2012 is to achieve a balanced budget for the General Fund.

Costs are expected to go up by about 6% while income, apart from Common Fund, is only expected to increase by 3.5%

Without a significant increase in Common Fund income it will be necessary to make savings by reducing activities.

Issue 1: May 2007



LONDON DIOCESAN FUND

Funding Mission in London

The London Diocesan Fund is the central and main fund of the Diocese of London

This leaflet covers the key aspects of the 2007 budget and looks ahead at the implications for 2008's budget.

The figures cover only the General Fund of the London Diocesan Fund. For greater detail, e.g. for the statutory accounts or for the details of London Challenge 2012 please use the Diocesan web site www.london.anglican.org or, for those without internet access, contact your Area Finance Adviser.

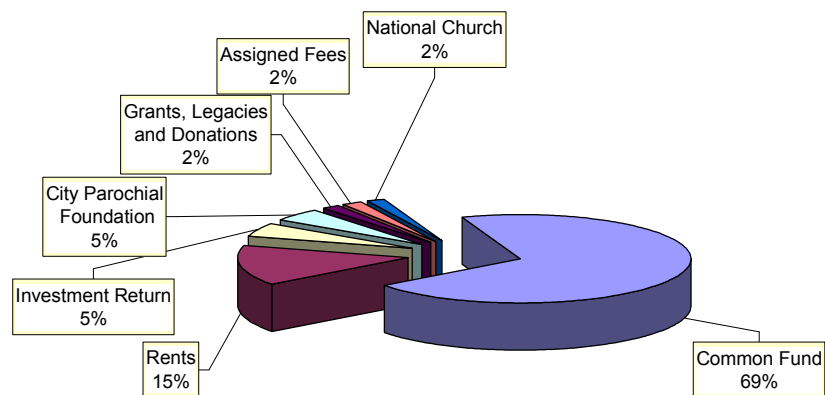
The Fund's expenditure, the costs of supporting all of the parishes, may be divided roughly into three parts:

- 1/3 to pay clergy stipends,
- 1/3 to pay for the housing, Council Tax and pensions for clergy,
- 1/3 to pay a share of the other activities that support parish mission and ministry.

2007 BUDGET

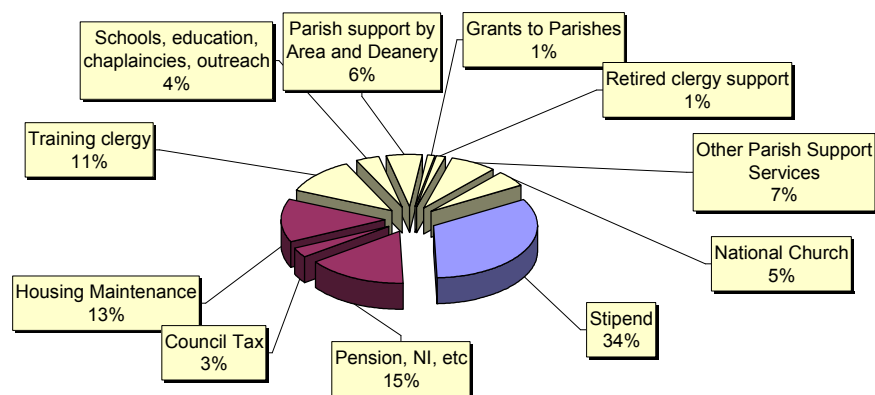
INCOME -

£ 23.4 MILLION



EXPENDITURE – Parish Standard Cost

£ 24 MILLION



BUDGET 2007

	2005 Actual £m	2006 Draft £m	2007 Budget £m	2008 Proj'ed £m	2009 Proj'ed £m
INCOME					
Common Fund	15.5	16.5	16.8	18.3	19.1
Rents	3.1	3.4	3.4	3.5	3.6
Other income	3.1	3.1	3.0	3.1	3.2
National Church	0.5	0.4	0.2	0.2	0.1
Total income	22.2	23.4	23.4	25.0	26.0

EXPENDITURE					
Stipends met from CF	12.0	12.5	13.5	13.9	14.4
Parsonages	3.7	4.0	3.6	4.1	4.2
<i>Sub-total</i>	<i>15.6</i>	<i>16.6</i>	<i>17.1</i>	<i>18.0</i>	<i>18.6</i>
Support via Area & Deanery	1.3	1.3	1.4	1.4	1.5
Other Parish Support	1.7	1.8	1.7	1.7	1.8
National Church	1.7	1.8	1.8	1.9	1.9
Other costs	2.0	2.1	2.0	2.1	2.2
Total expenditure	22.2	23.5	24.0	25.1	26.0
Surplus/(Deficit)	0.0	(0.1)	(0.5)	(0.1)	0.0

Notes:

1. The 2006 estimate is the best estimate of the out-turn for the year. The final audited figures are expected to be available in June 2007.
2. The budget was endorsed at Diocesan Synod on 25 November 2006.
3. The projected 2008 figures use a hoped for 8.5% increase in Common Fund and a 3.5% increase in stipends.
4. The projected 2009 figures assume a 4.5% increase in Common Fund and a 3.5% increase in stipends.
5. The charts opposite are produced on a slightly different basis from the table above. Discrepancies in addition are due to rounding of component figures.
6. More detail on how the income and expenditure figures have been calculated is provided in the leaflet "Parish Standard Costs" or at the diocesan web site www.london.anglican.org