

# Welcome to the 2019 Finance Forum

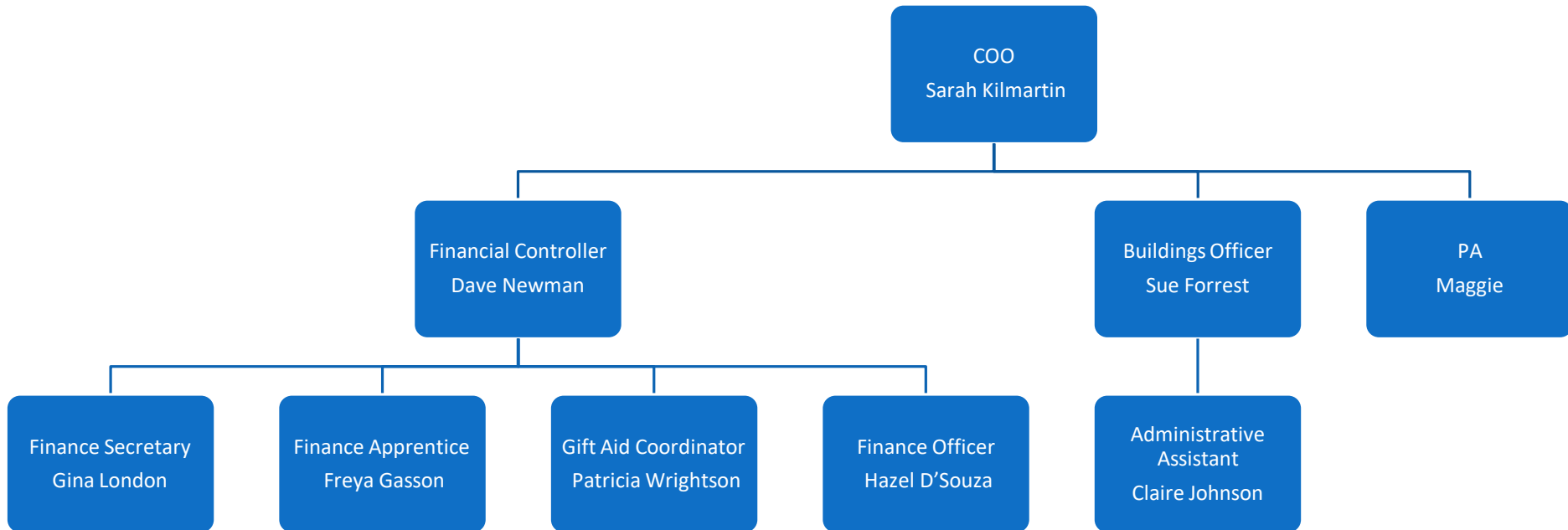
Help yourself to tea and coffee: we start at 10am

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**Please use the Questions Box to provide your questions and comments for the forum discussion**

# Welcome and Introductions



# Agenda

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- Housekeeping and Updates - Sarah
- The Central Offices – Fr Jonathan How
- AIQ technical session – Dave
- Finance Committee Handbook – Sarah
- Discussion Forum – Fr Jonathan How
- Mass at noon

# Housekeeping

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- Session will end promptly at 11.45
- Some are leaving directly to catch up with the rugby
- Please no spoilers if you are following it

# Updates from the Finance Office

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- AIQ implementation has been extremely challenging
- Transaction input is efficient but monthly bank reconciliation more demanding
- Time lag for processing income submissions
- Routine transactions with parishes have been re-established and backlog cleared

# Updates from the Finance Office

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- AIQ implementation
  - 87 parish databases
  - 47 working on Q3
  - 15 in Q1 and Q2
  - 11 engaging actively
  - 14 not currently engaging although 6 have had training

# System issues

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- Cash sheet processing lag and errors
  - Fix in development for errors
- Bank updates on request
  - Opt-in to automated coming soon
- Reporting pack
  - To be demonstrated today

# New processes for Transactions with Hove

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- Income received from Hove
  - Dividend income
  - Deposit interest
  - Gift Aid
- Collections taken
  - Levy
  - Overdraft interest
  - Bishop's collections and some third party collections



# Communications

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- Quarterly letter
  - To subscribers
- Finance website
  - Find it via [abdiocese.org.uk](http://abdiocese.org.uk)
- In the pipeline
  - Treasurer email addresses
  - Intranet for policies

# Budget factors for 2020

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- Income budget is steady – 2% increase in levies from parishes
- Staff costs will increase vs 2019 budget
  - Key hires achieved in Safeguarding, Comms & IT
  - Increased resourcing for Safeguarding & Clergy Welfare
  - Cost of living increase (aligned to Civil Service 1%-2%)
- St Philip Howard Centre capital project ongoing
- Further development of retired priests costs
- Seven men in formation for the priesthood

# Principal Levy Proposal

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- No change for 2020
- Levy is calculated on 2018 first collection (not Christmas and Easter)
- Allowance of £9,500 per church maintained
- 35% levy on offertory after church allowance deducted

# Additional Levies Continue

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- Methodology as established for 2019
- Retired Priests and Education of Future Priests
- Calculated on the actual cost from 2018
- Restricted legacies for Education of Future Priests reduce the costs passed on
- Allocation as per principal levy
- Special Collections in May and November are retained in parish to offset contribution

# Calculation of Additional Levies – based on 2018

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|  |                 |
|--|-----------------|
| Seminary costs                           | £333,999        |
| Retired priest costs                     | £349,000        |
|  | -----           |
| <b>Total costs</b>                       | <b>£682,000</b> |
| Legacies: Education of<br>Future Priests | £379,000        |
| <b>Net costs for 2020 Levy</b>           | <b>£303,000</b> |

- Potential for significant increase in costs in 2021
- Five year forecast of Retired Priest costs is being developed
- DFC recommends a working party on 2021 Levy allocation

# Windfall Levy

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A further levy at 35% on land sales continues

No parishes paid this levy in 2019 as there have been no disposals completed (yet)

Exemption applied where

- The parish faces a major capital project
- The parish faces significant financial challenges and needs to retain the full windfall

# Proposed Overall Levies

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|             | Principal<br>Levy<br>£'000 | Increase | Additional<br>Levies<br>£'000 | Total<br>£'000 | Increase |
|-------------|----------------------------|----------|-------------------------------|----------------|----------|
| <b>2017</b> | 1,586                      |          |                               | 1,586          |          |
| <b>2018</b> | 1,633                      | 3.0%     |                               | 1,633          | 3.0%     |
| <b>2019</b> | 1,679                      | 2.8%     | 267                           | 1,946          | 19.2%    |
| <b>2020</b> | 1,682                      | 0.2%     | 303                           | 1,985          | 2.0%     |

# Fundraising plans

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Income flat but costs developing: deficit recurs

Fundraising Officer to be appointed

In-house resourcing – no third-party agencies

- Support for Planned Giving campaigns in parishes
- Increases in offertory and Gift Aid uptake
- Renewed legacy appeal for parishes and special funds

Contactless

- Pilots in some parishes, but cost is a barrier to adoption
- National procurement being investigated



# Regulatory Update

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- GDPR
- Health and Safety
- Fundraising regulator
- Safeguarding environment IICSA
- Charity Commission
- HMRC
- Employment

# Central Diocese Update

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- Changes in 2018/19
- Budget overview 2020
- Ongoing funding for the Mission – working party

# Changes in 2018/19

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- Restructuring of the Formation Team
- Strengthening of Hove team
  - Accounts
  - Payroll
  - H&S Management
  - Property support – retired priests
  - Parish property support

# Further Changes 2018/19

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- New professional appointments:
  - IT – ceasing outsource arrangements
  - Communications – restructured with new full-time Officer appointed
  - Safeguarding – restructured team with new coordinator and additional resource
  - Clergy Welfare – Officer appointed to boost and professionalise support
- Ongoing care with costs contributes to the funding of new roles (Coolham, catering, procurement of services)

# Funding improved staffing

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- Ongoing care with costs to review priorities
  - Smarter procurement of catering
  - Review of other services – especially IT
  - No further operational losses at Coolham

# Overview of Central Costs £3.3m

■ Formation team and Crawley centre

■ Diocesan Education Service

■ Finance, Property & HR

■ Safeguarding, tribunal & chancery

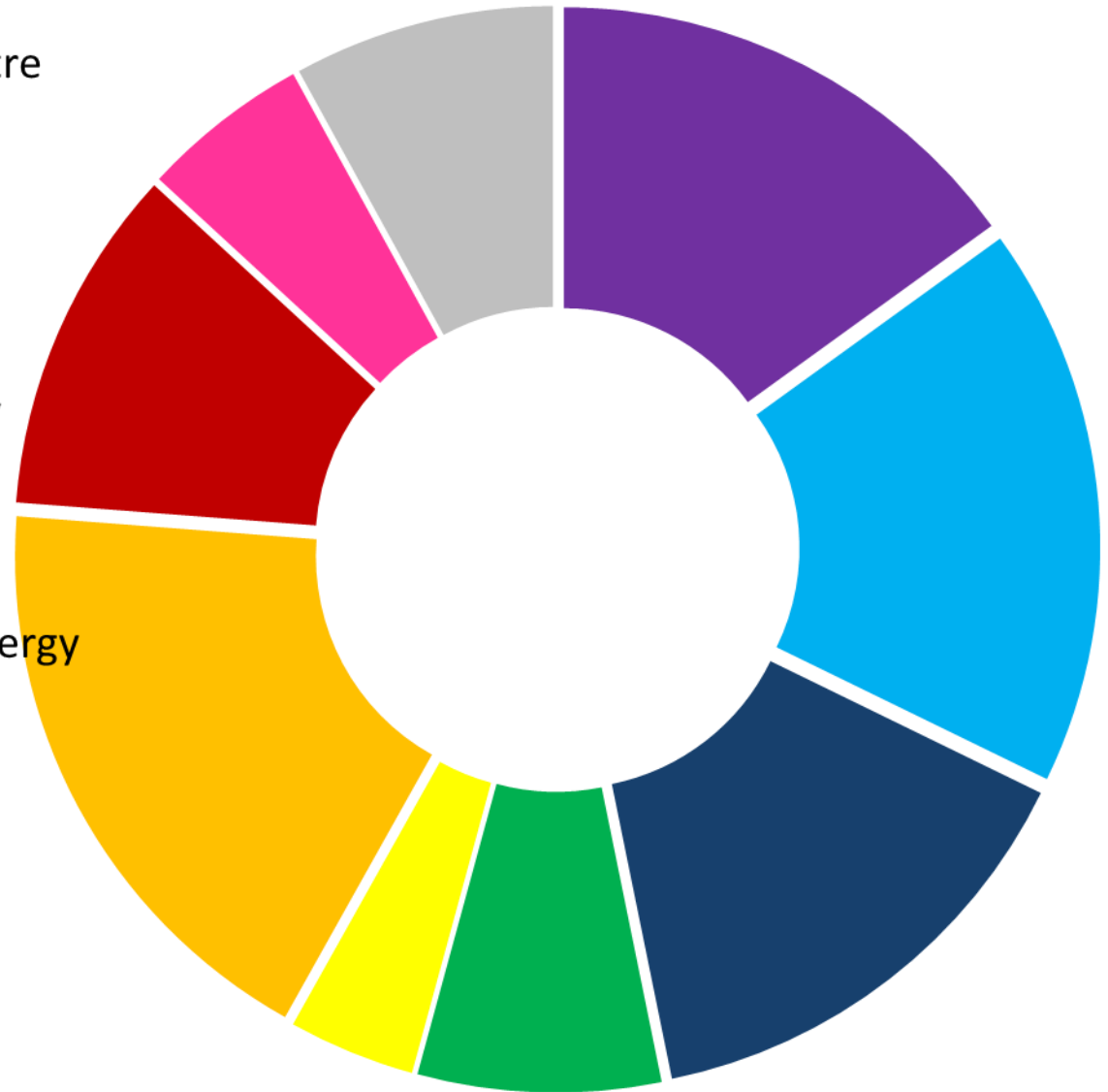
■ Communications and IT

■ Cathedral, Parish, Chaplaincy & Clergy

■ Retired Priests

■ Education of Future Priests

■ Other



# Highlights

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- Formation Team
  - CCRS and guided prayer programmes launched
- Education Service
  - 36,000 children educated in Catholic schools in our Diocese
  - Every school has good or outstanding section 48
- IT infrastructure improvements

# AccountsIQ Session

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# Parish Finance Committee Handbook

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- Overview of all responsibilities
- Use for inducting new members
- Signposts more detailed guidance online
- Covers our canonical and regulatory responsibilities
- This is version 1 – feedback is welcome and updates will be signposted in quarterly letter

# Questions and Discussion

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# 2020

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# Finance Forum

# Save the date!!

Thank you for coming today. See you next year in Arundel on **Saturday 7th November 2019** at 10am