



**THE DIOCESE  
OF SHEFFIELD**

Renewed | Released | Rejuvenated

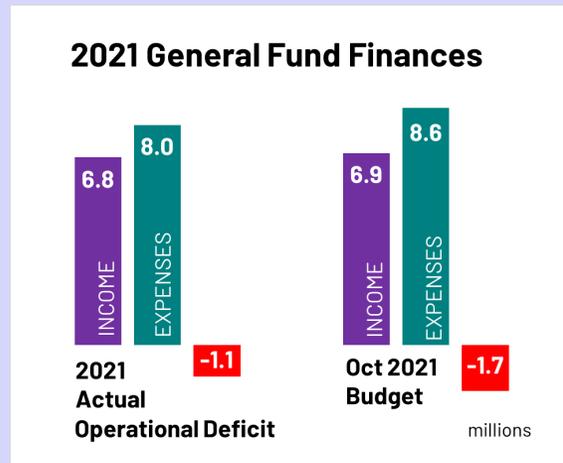
# Review of reserves & 2023 Budget

Keith Mallon – Finance Director  
Sheffield Diocesan Board of Finance



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# Statutory accounts for the year ended 2021



+

Endowment funds  
Parsonages  
Schools  
Transformation project  
Resourcing churches project  
Centenary Project  
Church in Action fund  
Pastoral fund  
Stipend capital fund  
Other restricted funds

=

**Investment gains**

**Total funds**

**£63**

**million**

Mainly restricted reserves  
but including

£5.2m free reserves

+

£3.8m helpful restricted  
reserves

# Overview of reserves update 2022

**Restricted**

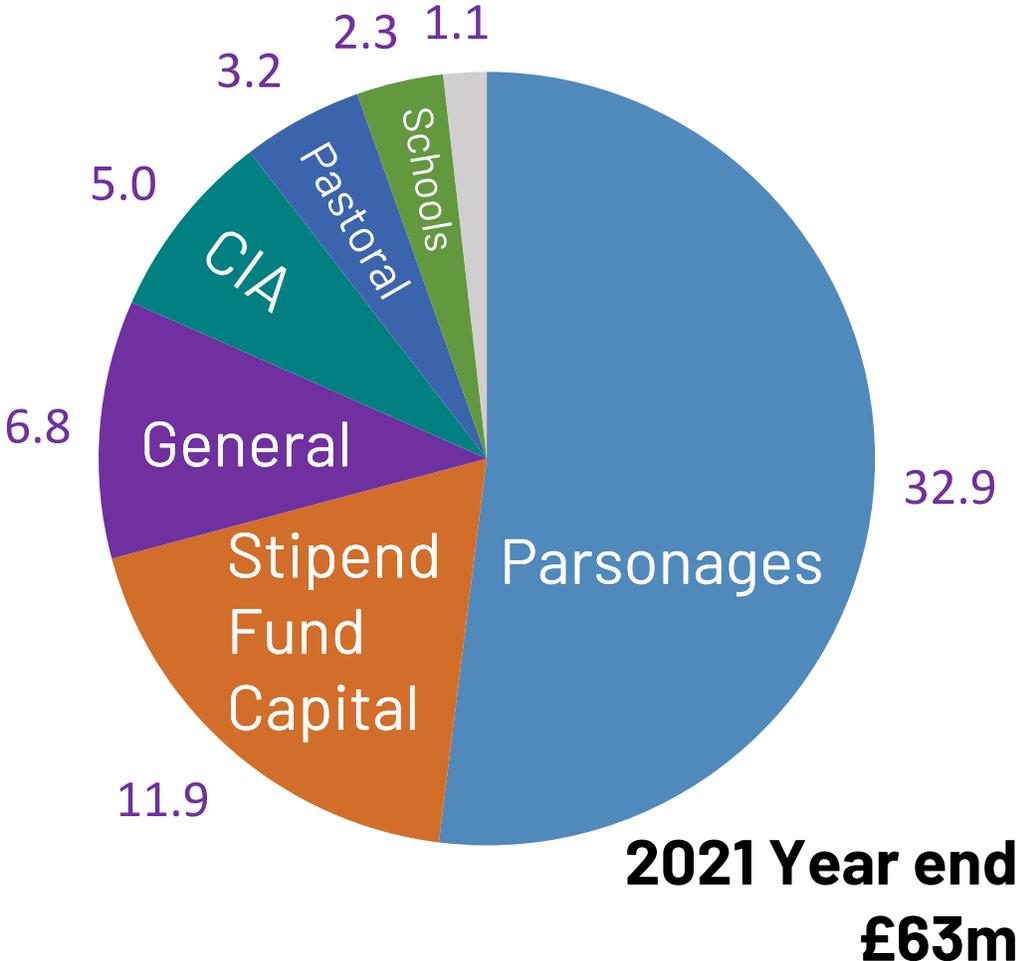
Parsonages	32.9
Stipend FC	11.9
Schools	2.3
Other	1.1
	<hr/>

48.2

**Unrestricted + support funds**

General	6.8
Church In Action	5.0
Pastoral Account	3.2
Less commitments	(2.6)
Less property	(1.4)
Less 2022 deficit	(1.5)
	<hr/>

9.5



# Reserves – action plan

- Strategic planning to maximise availability of funds
- Delegation of authority on Adoption of Total Return approach where advantageous – Bishop's Council to approve where appropriate
- Better housekeeping of funds

# Total return approach to investment funds

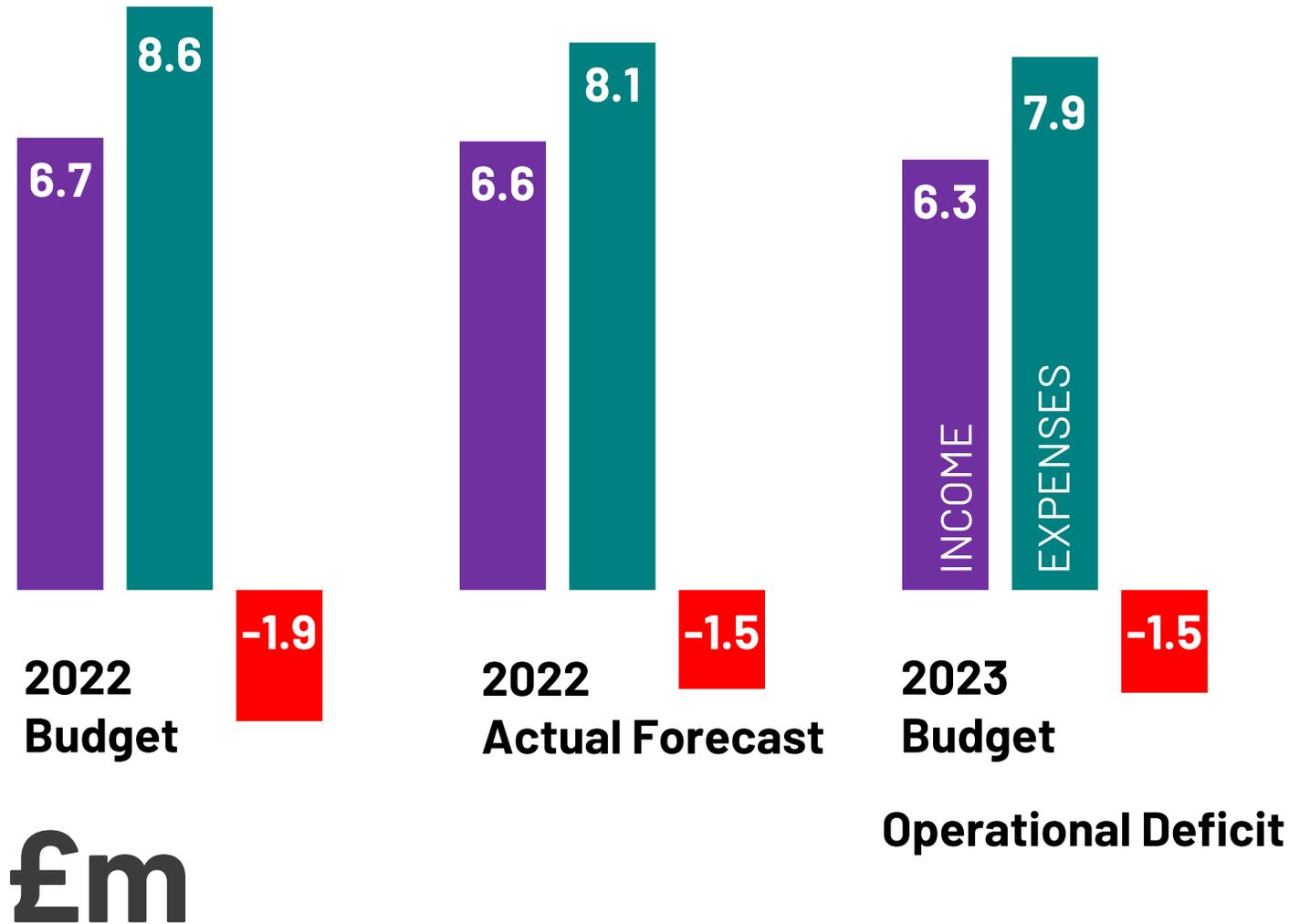
- Explanation
- Adoption of a Total returns policy where advantageous could free up restricted funds. Put simply, this approach allows any increase in the value of an investment to be used as income.
- A Total Returns Policy permits a revaluation of the split between investment accumulated and income. This is permitted for the Stipend Capital Fund where historic investments have grown significantly and investment income has dwindled.
- This has the effect of unlocking resources and is permitted under 2013 Charity law changes.
- Other Dioceses are adopting this approach

# 2023 Budget



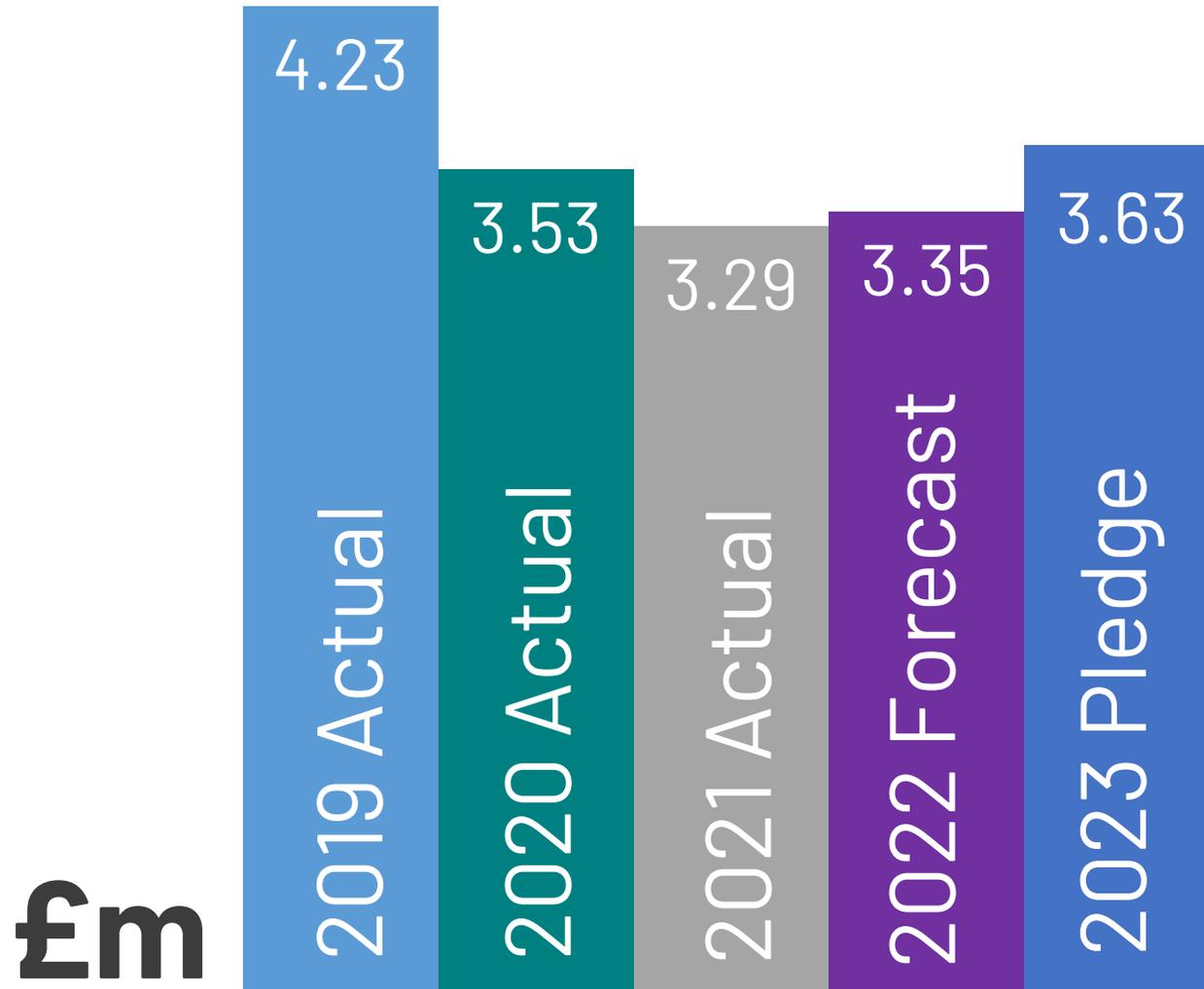
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# 2023 General Fund Budget



- £1.5m deficit
- Only General Funds
- We have multiple funding mechanisms
- Savings on personnel in 2022

# 2023 Common Fund Expectations



- The ask was for £4.2m
- £3.6m looks possible
- This is still not a sustainable level
- We continue our review process

# Key Budget Assumptions

- Common fund improves modestly to £3.6m
- Pay awards at 5% – for clergy this is offset by clergy pension cost savings
- Triennium funding announcements are not factored in but may flow in late 2023
- Clergy recruitment numbers are as planned  
(recruitment and ingoing costs are substantial)



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**Q & A**



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# Thank you!

If you have any further questions, please get in touch.

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