

## **Diocesan Synod – March 2025**

### **Finance Update**

#### **General Fund Overview to 31/12/2024**

The attached copy of the General Fund results for the year ended 2024 is a very preliminary position with further work to do on several areas to come to a final position ahead of the audit process.

#### **Income**

The current Income position of £6.44m is largely in line with the Forecast position of £6.46m presented to Diocesan Synod in November 2024. There has been circa £30,000 of 2024 Common Fund cheques received in January which will add to the current total. As part of the year end closedown process the Finance team are working to finalise the year end position on Investment Income and Cost Recovery from Projects.

#### **Expenditure**

Total current Expenditure is circa £7.77m which is largely in line with the Forecast position of £7.82m, but there are again some areas of work still ongoing to fully reconcile cost lines and ensure we have captured any invoices received post year end appropriately in the accruals and prepayment workings. As part of the year end closedown process a full review will also be carry out between general and restricted funds to ensure that all expenditure is in the correct fund.

There are two material items to finalise treatment on:

Church Workers Pension Fund – Following the finalisation of the Defined Benefit Scheme (DBS) valuation at 31 December 2022, the Diocese had a pension credit of £192,000 which it had chosen to utilise against the cash cost of future pension charges. The accounting treatment within the draft numbers presented has not yet reflected the £192,000 reduction in pension costs and it is proposed that given the credit had arisen against historic employees (pre-Dec 2022) that the credit is fully taken within the General Fund in year.

Resourcing Ministerial Education (RME) funding – the National Ministry & Development Team has now reconciled the funding received for the academic periods from 2017 through to 2023 at which point the funding methodology changed. From the calculations provided it is assessed that the Diocese has received £299,000 in excess of the eligible expenditure for that period and a request has been made for this money to be returned. The original RME documentation did not clearly state that any excess needed to be returned and accounting treatment in prior periods has recognised this as income. A query was raised with the National Team as to the validity of the refund request. Assuming the refund request is confirmed then the £299,000 would increase the level of deficit recorded in 2024.

Following discussion with Daniel Remedios (Senior Finance Strategist – Ministry Development Team), it was explained that there was a 5% tolerance to any reclaim amount and that the payment given the size could be spread over a 3-year period. F&PC agreed to the repayment of circa £285,000 over a 3-year period once final agreement is reached.

#### Overall Deficit

The current overall deficit on the General Fund is circa £1.27m (compared to the Forecast position of £1.35m). This figure will fluctuate as we work through the year end close process and agree accounting treatment of the two material items noted above and any further accounting for property disposals which took place during the year.

#### Cash Position

The cash position across the three main bank accounts as at 31 December 2024 was as follows:

General Account = £1.375m (includes circa £1m received in respect of Transformation/Capacity/Revitalisation Funding from Church Commissioners in early December)

Church In Action = £290,000

Schools Account = £631,000

There is a process of review ongoing to complete the review of expenditure across the correct accounts/funds for the 2024 period in addition to the finalisation of the net funds transfer work which arose from the 2023 audit process.

### **Strategic Mission and Ministry Investment Board – Diocesan Investment Programme**

The Diocese of Sheffield submitted an application to the Strategic Mission and Ministry Investment Board in January for consideration at its meeting on 27<sup>TH</sup> of February 2025. The outcome is as yet unknown (as at 14/02/2025). If the application is supported this will represent a significant investment in mission and ministry across the Diocese of Sheffield.

### **National Projects - Diocesan Finances Review**

As was discussed at the meeting of the Diocesan Synod in November 2024 we are awaiting the outcome of the Diocesan Finances Review which we understand will impact both the type of funding and the value of funding available to Diocese. This work is ongoing and will be considered as part of the Triennium Funding Working Group process. When the outcome is known we will reforecast our financial planning and update Synod on the impact for our Diocese.

A link to the relevant General Synod paper is included [here](#) for information.

## **2024 Audit Timetable**

The outline audit timetable is as follows:

- December 2024 – onsite audit planning visit – completed
- March 2025 – onsite audit work circa two weeks (w/c 10<sup>th</sup> & 17<sup>th</sup>)
- 25 March 2025 – progress update to F&PC
- 22 May 2025 – final version of accounts to be reviewed with Saffery/F&PC
- 24 June 2025 – final version of accounts to be presented to BC

Prepared by:

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Sheffield Diocesan Board Of Finance			
<b>01 - General Funds Dept - SDBF Departmental View of General Fund Spend</b>	<b>Total - Year end 31 Dec 2024</b>		
	<b>Actual</b>	<b>Forecast (Nov Synod Mtg)</b>	<b>Restated Budget</b>
Common Fund	3,369,703	3,320,000	3,510,000
Church Commissioners Grants received	1,891,565	1,892,000	1,902,000
Grants and Donations	135,265	121,000	88,000
Fees and other income from Parishes	287,091	276,000	280,000
Rental income	218,456	195,000	180,000
Investment income	369,547	358,000	387,000
Other Income	51,762	39,000	16,000
Cost recovery from projects etc	120,172	259,000	367,000
<b>Income</b>	<b>6,443,561</b>	<b>6,460,000</b>	<b>6,730,000</b>
<b>Grants Payable</b>	<b>216,863</b>	<b>250,000</b>	<b>276,000</b>
Parish Ministry - Incumbents Stipends	2,442,283	2,489,000	2,900,000
Parish Ministry - Curates Stipends	506,581	487,000	483,000
<b>Parish Ministry - Total Stipend costs</b>	<b>2,948,864</b>	<b>2,976,000</b>	<b>3,383,000</b>
Parish Ministry - Housing	1,922,350	1,954,000	2,197,000
Parish Ministry - Recruitment	186,606	200,000	300,000
Parish Ministry - Other costs	11,486		
<b>Parish Ministry - Total non-stipendary costs</b>	<b>2,120,442</b>	<b>2,154,000</b>	<b>2,497,000</b>
<b>Parish Ministry - Total Parish Ministry Costs</b>	<b>5,069,306</b>	<b>5,130,000</b>	<b>5,880,000</b>
<b>Parish Ministry - Total Ministry Support Costs</b>	<b>1,847,201</b>	<b>1,842,000</b>	<b>1,993,000</b>
<b>Church House allocated cost (over or under)</b>	<b>-14,487</b>		
Management and Administration - Dio Sec and Admin	209,428	201,000	183,000
Management and Administration - Finance Department	260,569	264,000	290,000
Management and Administration - HR Department	128,048	129,000	127,000
Management and Administration - Other			55,000
<b>Management and Administration Total</b>	<b>598,045</b>	<b>594,000</b>	<b>655,000</b>
<b>Total Expenditure</b>	<b>7,716,928</b>	<b>7,816,000</b>	<b>8,804,000</b>
<b>Net Surplus/(Deficit)</b>	<b>-1,273,368</b>	<b>-1,356,000</b>	<b>-2,074,000</b>