



**ESGOBAETH LLANDAFF
LLE MAE FFYDD
YN CYFRIF**

**DIOCESE OF LLANDAFF
WHERE FAITH
MATTERS**

Llandaff Diocesan Board of Finance Annual Report 2020

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Chair of Llandaff DBF



Scope of Report

- Budgetary and financial issues
- Since last diocesan conference...
- Beyond 2020
- DBF organisation and governance





GENEROSITY MATTERS

FAITH | STEWARDSHIP | GIVING

Budgetary and financial issues



Background

- Long term budgetary aim over **5 years**
 - balanced budget
- Make **£3m of reserves available** to deliver Vision
- Maintain **prudent financial management** of charity and strong governance



Financial Year 2019 – What happened?

Deficit Budget Set £(601)K

Outcome



- Income £6.2m
- Surplus on Investments £937k
- Unrestricted Surplus £693k
- Reserves £9.4m

(Full details of annual accounts on website)



Financial Year 2020 – What was budgeted

- Continuing commitment to work towards a more balanced budget over 5 years
- 2.75% increase in Fairer Share
- Salary increases
- Deficit budget set (£606,206)



BUDGET 2020: Income

Income



£4.2m

Fairer Share



£1.5m

Representative
Body grant



£0.2m

Investment
income



£0.2m

Other
income

**TOTAL
INCOME:**

£6.0m



BUDGET 2020: Expenditure

Expenditure



£4.8m

Ministry



£0.6m

Support for
parishes



£0.2m

Grants



£0.8m

Property



£0.2m

Governance & Communication

**TOTAL
EXPENDITURE:**

£6.6m



Financial Year 2020: Performance to date

- As at June 2020 deficit £(418)k against a budget of £(303)k
- Principal cause - Investment losses
- Offset by
 - Departmental savings
 - Office cost savings
 - Vacancies in posts
 - Pension scheme actuarial review savings





WELCOME
CROESO



Since last Diocesan
Conference...

Evangelism Fund Bid Success

- Application for **c£3.0m grant** submitted Sept 2019
- “**Young Faith Matters**” aimed at range of age groups under 30 – key strand of Diocesan Vision
- Two stage bid **passed** by RB committee in Feb 2020
- Enabled **Citizen Church** to be established as programmed and Schools/Parish work to start



Diocesan Vision Funding in place

- Five year **£6m programme**
- Funded **50% Evangelism Fund : 50% Diocese reserves**
- Early stages of **Vision delivery programmed** and being implemented
- **Spending profile slowed** because of Covid-19



COVID-19 Crisis – DBF Reaction

- Looked at its own office and staff cost base to **control cost base**
- Reached out to parishes to **support and share** experience
- Dramatic growth in **digital output**



COVID-19 Crisis – DBF Reaction (contd)

- Parish reactions varied but mostly **resilient and innovative** after initial shock
- High proportion have **continued to pay full parish share** – some in advance
- **Growth of direct giving** - major achievement



Rep Body financial support scheme

- RB Grants to Dioceses to help **alleviate hardship** caused by the pandemic, and encourage **change and development**
- DBF resolved to distribute funds to those on the ground with **three strands**
 - a. **Flat % grant - Q2 and Q3**
 - b. **Targeted hardship fund**
 - c. **Strategic funding to achieve long term resilience by change**



Beyond
2020



Post-COVID Focus

- Support in **rebuilding reserves** throughout diocese
- **Vision delivery** – full speed
- **Ministry Areas** formation and development
- Diocesan staff attuned to Vision delivery and MAs, and **working agilely and innovatively**
- **Support digital innovation** and usage
- Keep close **oversight of finances** at all levels



2021 Budget Main features anticipated

- Standstill, cautious and **vigilant approach** post-COVID
- **Investment income decrease anticipated** due to economic downturn
- **0% changes where possible** on income and expenditure items
- **New curate housing scheme** provision
- Staff resource to focus on support on the ground, **delivery of Diocesan Vision** and **Ministry Area formation** and implementation



2020 and Beyond

- Maintain **stable controlled financial regime** - deficit budget and utilising reserves post Covid
- Work towards **balancing the books** for the underlying work of the Diocese over the next five years
- Continue using the Parish Resources team and other Diocesan Officers to **assist MAs improve their overall position**
- **Continuing reviews** of the deployment of staff and clergy to achieve effectiveness





DBF Organisation and Governance

Organisation and Staffing Roles

- Successful integration of two senior Diocesan appointments – **Diocesan Secretary**, and **Director of Communications and Engagement**
- Realignment of Diocesan staff teams to **deliver the Vision** and **Ministry Area** implementation
- More **flexibility** and **agility** in working regimes including currently more homeworking
- More **use of technology** for meetings e.g. Teams, Zoom to save travel time and the environment



Governance

- **Governance review** undertaken
- DBF structure now **fit for purpose in 21st Century**
- **New Articles of Association** - Charity
- More modern basis, **better size and balance**
- **Reformed more relevant** committee structure
- More meetings and contact **virtually**





And finally ... to the DBF Board,
the Diocesan staff and clergy,
all our lay people who so generously give of their time,
and our congregations who so generously give financially.

Thank you

