

Llandaff Diocesan Board of Finance Annual Report 2022

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Chair of Llandaff DBF

ESGOBAETH LLANDAF
LLE MAE FFYDD
YN CYFRIF



DIOCESE OF LLANDAFF
WHERE FAITH
MATTERS

Scope of Report

- BUDGETARY AND FINANCIAL ISSUES
- SINCE LAST DIOCESAN CONFERENCE
- DBF ORGANISATION AND GOVERNANCE



BUDGETARY AND FINANCIAL ISSUES



Background

- Long term budgetary aim over **5 years**
 - balanced operational budget
- Make **£3m of reserves available** to deliver Diocesan Vision over 5 years
- But ... Covid and MA transition process
- Maintain **prudent financial management** of charity and strong governance



Financial Year 2021 - What happened?

- Income – £8.2m - Reserves - £10.8m
- Deficit budget of (£561k) set in 2021 Operational Budget
- Net Income/Expenditure Surplus £639k
- Surplus on investments in the year £653k
- Savings in governance and budget holder costs due to the pandemic

[Full detail of annual accounts on website](#)



Financial Year 2022 : What was budgeted

- Continuing commitment to work towards a more balanced budget over 5 years
- 2% increase to salary and stipend rate
- Consolidated budget now includes £622k committed to Vision
- Deficit consolidated budget set £(1m) - including commitment to delivery of Vision



Operational Budget 2022

Income



Fairer Share
£4.3m



Representative Body grant
£0.5



Investment income
£0.1m



Evangelism Grant
£0.6m



Other income
£0.4m

Income Total - £5.9m

Expenditure



Ministry
£5m



Support for parishes
£0.6m



Property
£1m



Grants
£0.2m



Governance & Communication
£0.2m

Expenditure Total - £7m

Financial Year 2022 : Operational performance to date

- As at June 2022 deficit of (**£955k**) against a budget of (**£562k**)
- Principal cause of deficit - Investment losses (£822k)
- There have been some savings:
 - Departmental savings
 - Office cost savings
 - Vacancies in posts
 - Payment of Parish Share arrears



Budget 2023 - Main features anticipated

- 5% increase in stipends and salaries
- 7.3% increase in Parsonage Board repairs and maintenance budget
- 5% increase in Fairer Share,
- 0% changes where possible on expenditure items
- Staff resource to continue focus on support on the ground, delivery of Diocesan Vision and Ministry Area strategic planning
- Deficit Operational Budget within Consolidated Deficit



SINCE LAST DIOCESAN CONFERENCE

PROGRESS ON DELIVERY OF DIOCESAN
VISION



Covid-19 Factor

- Huge impact on Diocese and its communities from March 2020 onwards – still a factor today
- Representative Body (RB) generously drew down on reserves to support Church in Wales grass roots
- Llandaff DBF received £3.5m support in 2020 & 2021 – all used to support Parishes and Ministry Areas
- RB support continued in 2021 but now finished



EVANGELISM FUND (£3m) UPDATE

Young Faith Matters Update

- 5 engagement workers (1 Welsh speaking) deployed across the Diocese
- Strategic partnerships developed with 9 organisations
- 860 young people participating in regular faith-based activity, 98 new young people participating in church activity, 27 new initiatives for young people set up by MAs
- Partnership developed with Flourish: Mental health and well-being course delivered across schools in the Diocese through 2023



EVANGELISM FUND (£3m) UPDATE

Resource Church

- Citizen Church grown to over 500 people.
- 345 people attended Alpha in 2021, now relaunched for 2022.
- 5 ordinands. 1 Curate deployed to All Saints Penarth
- Citizen Coffee trained 4 asylum seekers.
- 2 church plants in Pontypridd and Caerphilly areas progressing well.



Diocesan Vision Funding update

- £3m over 5 years to focus on Outreach and Growth, including resources for ministry & vocations, communications, fundraising, and church buildings as mission resource
- Runs alongside Evangelism Funding
- Underspend still evident because of Covid-19
- All funded posts filled
- Growth enablers team recently formed



Ministry Areas

- 29 MA's now all formed – major achievement
- Financial and Staff resources from DBF to continue to support
- Formation of “Colleges” for Lay Chairs, Treasurers and Safeguarding offers informal support to key lay leaders
- YFM and Growth Enablers offering targeted support across the Diocese
- Archdeacons' visitations planned to offer practical help and support for MA's developing their mission and vision
- Confident and successful MA's vital to delivery of Diocesan Vision



DBF ORGANISATION AND GOVERNANCE

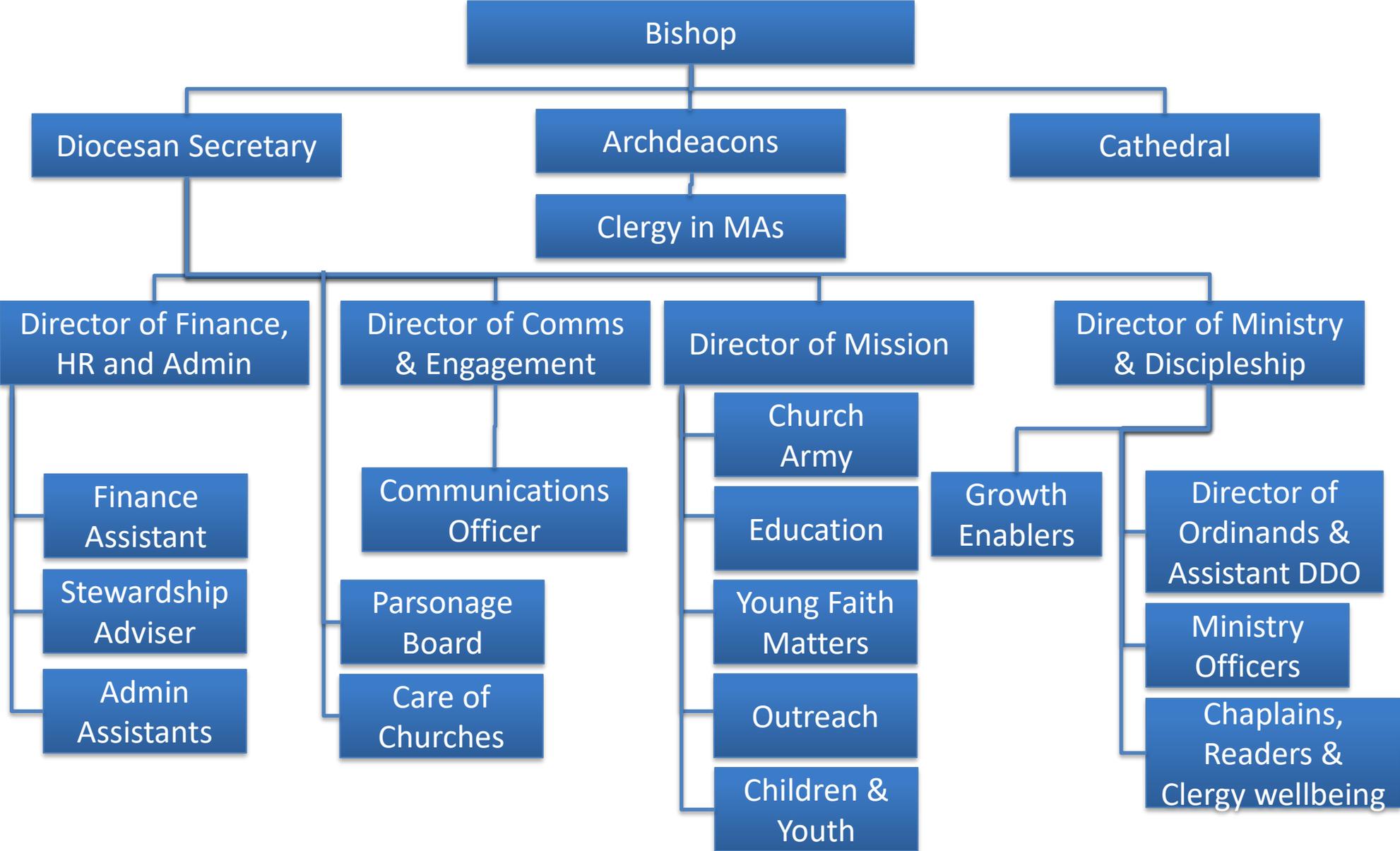


Organisation & Staffing

- Successful recruitment of
 - **Mair Henry** - Director of Finance, HR and Admin
 - **Paul Booth** - Director of Mission
- Recruitment of staff members to deliver on Vision
- Decision approved for staff to work in hybrid fashion using home offices, locations in MAs, and RB offices in Cardiff in order to be more flexible and present in MAs



Diocesan Organisation



DBF - Board Operation and Governance

- New Board cycle after elections
- Co-optees address skills deficits to produce balanced board
- New streamlined committee structure working well
- Mainly online meetings
- Contribution and influence by Llandaff reps to RB and national C in W debate
- C in W direction of travel
 - similar to what we are doing
 - possibly more central resource / support will follow



And finally once again ...

Thank you all



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