

Finance & Support Services Committee
13th April 2019

Summary Report

Financial Report

The 2018 accounts report an overall deficit for the year of almost £1.1 million. This is made up the following:

	£'000
Core Operations	(330)
Additional Operations	(154)
Protected Program Fund (PPF) and Closed Church Fund (CCF)	89
Unrealised Investment Losses	(696)
Net Movement of Funds in the Year	(1,091)

A total of £200k has been awarded and paid out in the form of grants in supporting the member churches, Area Associations, retired CF ministers and Christian Aid.

There was a significant fall in capital receipts in the year including from closed church proceeds resulting in the operations being funded from reserves. It is recognized that the investment losses can go up as well as down and that CF has enjoyed significant gains in recent years. The money markets are at historic highs.

The latest 2019 forecast reports a deficit as follows:

	£'000
Core Operations	(415)
Additional Operations	(46)
PPF and CCF	379
Net Movement of Funds in the Year	(82)

Unrealised investment gains/losses are not included in the forecast figures.

Most of the operating deficit will be funded from capital receipts and the rest from reserves.

This represents a 26% increase in Core Operations funding.

The 2020 budget reports a deficit as follows:

	£'000
Core Operations	(375)
Additional Operations	(114)
PPF and CCF	0
Net Movement of Funds in the Year	(489)

Unrealised investment gains/losses are not included in the budget figures.

The operating deficit will be funded from reserves.

Finance Strategy and Funding Requirements

- That the CF operations from 2020 remain at similar levels to now (Nov 2018) allowing for responses to ongoing requirements whilst waiting for the new strategy to be formatted.
- To allow capital receipts and investment properties to be utilized in funding deficits as and when required.
- That the Protected Program Fund will also need to be used to cover the deficit produced by the Core Operations (apart from Congregational Institute of Practical Theology) and that this is to be reviewed annually.

CF is also undertaking a Governance review alongside holding Open Space Events.

Other Matters

Church Affiliation Fees – It was agreed to write off £1,522 in unpaid affiliation fees. The Communication Group was tasked with making information available to member churches regarding member benefits.

Recommended Ministers Stipend – It was agreed to take to Council the consideration of CPI over RPI.

CF Area Grants (England & Wales) – It was noted that @ 31.12.18 there is £131k available for churches to apply for grants from. However, there has been £43k paid out in Qtr 1 2019. Concern was expressed at the growing South East Area funds but that they were now actively seeking to promote grant applications from churches in their area.

2018 Accounts and 2019/2020 Budgets – These were all agreed and recommended to Council.

FSSC Terms of Reference – Concerns have been identified over the clarity of financial funding, budget setting and financial controls and this is also evident across other committees and boards. A review has been set ready for consideration at the next meeting.

DONM: 12.10.19