

## Report to Synod on Budget and M&M and Pensions for 2023

The budget proposal for 2023 and beyond is based upon the planned donation to the URC Ministers' Pension Fund.

Making significant contributions to the Ministers' Pension Fund will cause us to show a deficit budget for the next several years.

It is important that we assure Synod that we can afford this. To put it into context, at this time we have investments of over £11 million and property assets of £5.6 million.

In our budgeting we also anticipate an increase in the closure rate of churches.

Our income

£ thousands	2022	2023	2024	2025
Investment Income	240	240	240	240
Rental Income	40	40	40	40
Interest on deposits	1	2	1	0
Capital from redundant properties	300	300	300	300
Grants received	7.5	7.5	7.5	8
Training receipts	2	2	2	1
Sundry income	5	5	5	5
Totals	595	596	595	595

## Our expenses

£ thousands	2022	2023	2024	2025
Special ministry	82	84	86	88
Synod Staff	200	200	210	220
Pastoral Advisors	55	45	48	52
Ecumenical Grants	5	5	5	5
Other grants	25	15	15	15
Property grants	50	100	100	100
Mission grants	100	50	100	100
Resource sharing	25	25	25	25
Retired Ministers Pension	500	500	500	500
Training	2.5	10	2.5	2.5
Youth work	0.2	0.2	0.2	0.2
Schools, retreats,	4	5	4	4
Safeguarding	25	10	25	25
Church Support	5	5	5	5
Synod & area costs	5	2.5	2.5	2.5
Office costs	26.5	28	28	28
Synod Property	20	20	20	20
Investment property	10	10	10	20
Misc. fees	12	22	22	22
<b>Total expenditure</b>	<b>1156</b>	<b>1134</b>	<b>1205</b>	<b>1221</b>
<b>Total income</b>	<b>595</b>	<b>596</b>	<b>595</b>	<b>595</b>
<b>Surplus/deficit</b>	<b>-561</b>	<b>-537</b>	<b>-611</b>	<b>-627</b>

## **Resource sharing**

We plan to offer £25,000 to the Inter Synod resource sharing in order to help some of our poorer Synods. This continues from previous years.

## **Maintenance of the Ministry Fund**

In 2021 we failed to meet our target largely due to churches facing challenging times with near total loss of lettings income. This has continued well into 2022, which has meant that the situation is not likely to be a great deal better in 2023.

The Synod makes up the contributions of churches that close. These usually come from assets of the church that closed, but in some cases from Synod funds.

For 2023 we are planning to contribute £1,100,000 to the central M&M fund. The factors affecting guided church contributions will not change.

## **Pensions**

General Assembly agreed that all ministers and employed staff would plan to be transferred from a Defined Benefit Pension scheme to a Defined Contributions scheme from 1<sup>st</sup> January 2023.

This change is subject to consultation with employees and ministers which is currently under way.

Assuming that there are no major changes required as a result of the consultation the change will be implemented as planned. That means that all staff and ministers will receive on retirement:

- A Defined Benefit Pension based upon their years of service to December 2022
- And
- A personal Pension Pot built up of contributions of Church and employee/minister from January 2023 until retirement. The individual then has flexibility to use the pot to provide a pension in various way including an annuity and/or a draw down pension.