

# **Synod & Trust Finance**

**URC SW Synod  
17<sup>th</sup> October 2020**

# Contents

- **Trust Budget 2020-22**
- **Fossil fuel and Local church investments**
- **Resource Sharing**
- **Deputy Treasurer**
- **M&M Resolutions**
- **URC Pensions**



# The main changes from 2019

- The continuing need for local church action on Investments
- Change of factors for M&M
- Pensions



# Synod Trust Budget 2202-23

## Income from assets

£ thousands	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Investment Income	280	240	240	240
Rental Income	75	40	40	40
Interest on deposits	1	1	1	1
Capital from closed churches	400	200	200	200
<b>Totals</b>	<b>756</b>	<b>481</b>	<b>481</b>	<b>481</b>



# Synod Trust Budget 2019-22

## Income from other sources

£ thousands	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Grants received	7.5	7.5	7.5	7.5
Training receipts	2.5	5	5	5
Sundry income	1	5	5	5
From trust assets	756	481	481	481
<b>Totals</b>	<b>767</b>	<b>499</b>	<b>499</b>	<b>499</b>





# Synod Trust Budget 2019-22

## part 1 staff

Category	2020	2021	2022	2023
Special ministry	80	80	82	84
Synod Staff	155	175	190	200
Pastoral Advisors	45	54	55	56
<b>Total</b>	<b>280</b>	<b>309</b>	<b>327</b>	<b>340</b>



# Synod Trust Budget 2019-22

## Expenditure part 2 Grants

Category	2020	2021	2022	2023
Ecumenical Grants	5	5	5	5
Other grants	50	25	25	25
Property grants	50	100	100	100
Mission grants	100	100	100	100
Resource sharing	20	20	20	20
Retired Ministers Pension	25	250	300	300
<b>Total</b>	<b>250</b>	<b>500</b>	<b>550</b>	<b>550</b>



# Synod Trust Budget 2019-22

## Expenditure part 3 Activities

Category	2020	2021	2022	2023
Training	10	10	10	10
Youth work	1	1	1	1
Schools, retreats, conferences	0	4	4	4
Safeguarding	5	5	5	5
Church Support	10	10	10	10
<b>Total</b>	<b>26</b>	<b>30</b>	<b>30</b>	<b>30</b>





# Synod Trust Budget 2019-22

## Expenditure part 4 other

Category	2020	2021	2022	2023
Synod & area costs	5	8	8	8
Office costs	30	30	30	30
Synod Property	20	20	20	20
Investment property	15	10	10	10
Misc. fees	12	12	12	12
<b>Total</b>	<b>82</b>	<b>80</b>	<b>80</b>	<b>80</b>



# Synod Trust Budget 2019-22

## Budget Summary

Category	2020	2021	2022	2023
Staff	280	309	327	340
Grants	250	500	550	550
Synod activities	26	30	30	30
Other	82	80	80	80
Total expenditure	<b>638</b>	<b>919</b>	<b>987</b>	<b>1,000</b>
Total income	<b>687</b>	<b>499</b>	<b>499</b>	<b>499</b>
<b>Surplus/deficit</b>	<b>49</b>	<b>-420</b>	<b>-488</b>	<b>-501</b>



# Synod Trust and Fossil Fuels

- CCLA's Ethical Investment Fund no longer holds any companies which derive significant earnings from involvement with Fossil Fuels
- M&G does not have any similar commitments



# Local Church investments

- The Mission Council recommendation is not binding on local churches
- The Synod urges all churches that hold investments to examine their holdings and determine whether they are consistent with Mission Council's request





# Some useful information

- M&G Charifund receives around 14% of its income from Fossil Fuel companies
- CCLA's Charity Investment fund receives around 5% of its income from Fossil Fuel companies
- Many local churches still use these Investment funds



# Resource Sharing

- We propose for 2020 to make a contribution to resource sharing of £25,000
  - This is an increase of £5,000 due to needs of other Synods.



# M&M Contribution 2020

- We exceeded our pledge in 2019
  - 20 churches paid additional contributions
- We hope to meet our 2020 pledge
  - It is likely to require a contribution from Synod funds
  - A number of churches have suspended or reduced their contributions due to loss of income
- Thanks to the churches that meet and in some cases exceed their agreed commitment



# Deputy Treasurer

- We are seeking to appoint a Deputy Treasurer to take over a part of the role undertaken by David Hayden
- This will mainly focus upon the management of Investments held by the local churches and the Synod Trust
- We would also expect the role will include membership of the Finance Committee





# Deputy Treasurer

- Skills needed
  - An understanding of the basics of investments
  - An ability to manage a large number of assets
  - Skills with computers and Excel
  - Good communication skills



# M&M Contribution 2021

- The M&M pledge from SW Synod to the URC for 2021 is
  - £1,230,000 which should fully cover the cost of stipendiary ministry we are allowed
- There is no contribution from churches to Synod costs
- The true cost of ministry is £40,000
  - Increased by £2000 from 2020



# M&M Factors 2021

- Ministry Element

- Direct ministry **42%** of net assessable income PLUS **£10** per member
  - No change from 2020

- Other Costs

- **£100** per member
  - No change from 2020



# M&M Resolution

- The South Western Synod of the URC agrees the factors quoted as the rates to be used for the calculation of the 2021 M&M Local Church Guided Contribution, and commits to a total giving of £1,230,000 to the M&M fund
- Ministerial True cost increases to £40,000





# Pensions

- The URC operates 2 Pension Funds
  - Lay staff Pensions fund
  - Ministers Pension fund
- Both are defined Benefit pension schemes
- The Lay Scheme is broadly in balance
  - The liabilities match the assets held



# Pensions

- The Ministers Pension scheme was almost in balance when last measured in 2017.
- The Pensions Regulator wishes Pension Schemes to rely less on risky assets
  - This is likely to cause the fund to be around £30Million in deficit at the end of 2020.



# Pensions

- The URC has to find a solution to the need for additional funds to meet the regulator's requirements
- Assuming that all Synods agree to assisting in meeting this demand, this Synod and its Trust are likely to need to contribute some £3 million to the fund



# Pensions

- We are also likely to need to allocate some assets to support the risks that we need to take to obtain a reasonable income.
- These costs are to meet the benefits already earned.
- The URC may consider whether to change the Pension arrangements for the future

