

Dear Church member,

Responding to the financial challenge of Covid-19

As I mentioned in a recent sermon during one of my 'virtual' Eucharist services (<https://www.youtube.com/watch?v=M5I5IbnkQQ0&t=2s>), this letter is to update you on the state of our churches' finances, which you would otherwise have heard at the APCM, and to put these into the context of the Coronavirus lockdown and its implications. I am very grateful to our Treasurer, Ian Coleman, who has compiled this letter, and also to Louise Sanders, our Parish Administrator, who has been working on the Church website.

2019 was an expensive year

Between 2018 and 2019 our 'core income' (ie excluding grants for building works) fell from £101k to £83k. Our largest outgoing was the £44k (our Parish Offer) that we pay to the Diocese for them to pay clergy, clergy housing and mission costs, which includes an element of subsidy for poorer parishes. I attach below a separate document that shows how the Diocese uses our money, entitled *Support costs for parishes 2018*, the most recent year for which there is information.

In 2019 our repairs expenditure across our two churches was £60k, mainly related to the St Mary's quinquennial works, whilst our grants and specific donations towards those expenses were £20k. Meeting the balance, which we have had to find from our own funds, led to an overall **loss last year of nearly £50k**, compared to a small surplus in 2018.

Within this 'big picture' there are some longer-term trends apparent. Income from wedding fees is falling (down £3k from £12k to £9k between 2018 & 2019) and although our covenanted/collection income and magazine income have remained the same, they haven't grown with inflation. Lastly our income from larger donations/legacies has fallen (although this income is always likely to be irregular). Meanwhile our 'core expenditure' has been rising with inflation and the formula for our parishes' contribution to the Diocese has seen a small increase too.

2020 presents even greater financial challenges

Overall we entered 2020 with a challenging financial position but a manageable one, with only one major expense overhanging us (repairs to St Luke's roof which are likely to cost in excess of £50k - for which we anticipated a specific fundraising effort). A major comfort was our investment portfolio, which stood at £57k on 31 December 2019, and our savings for future repair expenditure of £35k. Sadly, with the drop in stock market values, our investments are now worth 15-20% less than they were and our repair savings will be wiped out by the St Luke's costs, so our finances are more precarious.

Then along came **Coronavirus!** We anticipate that most, if not all, of our wedding fee income will be lost (prospectively £7-8k this year) and our collection income at St Mary's will be wiped out too (assuming that by Harvest Festival we should be back to normal at St Luke's) representing a further shortfall of c £8k, and finally our room hire income for the St Luke's parish room, which brings in £5k each year, is also likely to be severely restricted. In aggregate our **income is likely to fall by £20k**. Of course, thanks to all your generousities, our regular covenanted income has been maintained - which is a major blessing, representing as it does about £24k of our overall income (including reclaimed gift aid).

At the same time our **costs of running 'virtually' have remained the same**, if anything with minor extras. We are still required to pay fixed costs such as buildings insurance and maintenance, and Parish Offer continues to be as relevant as ever, as Tom and I continue to work and need housing. Although it may not feel like it now, we are also mindful of the fact that eventually this storm will pass, and we need a financially viable church in our community that is able to continue to be a worshipping presence once again.

We have accelerated our Gift Aid reclaims and drawn down £10k of our savings to protect our cashflow and the PCC have already decided to suspend the St Luke's diocesan payments from May; but still we anticipate **cash will become tight over the summer** if we do nothing else, which is where you can come in! Our Treasurer, Ian Coleman, has worked out that if we were all to give, on average, **£100 each** then we **can replace the collections income** we are going to be losing, **£200 each** would replace that and **the lost wedding income** and **£250 would** replace all our direct losses and **protect our savings** for the St Luke's roof.

There will be some of us that will find it hard to respond financially to this appeal, but others of us may feel able to give a larger donation or freewill offering!

Rising to the challenge

The financial challenges being faced by our church are obviously replicated in every parish across the county. The Diocese is doing all it can to support churches during this turbulent time, but they are very reliant on Parish Offer, their main source of income. A material drop in this income source across the diocese will impact its ability to pay for ministry during the crisis, and once this crisis has ended.

It is also worth noting that although our routine church activities have stopped, and the building is out of bounds, the living church is certainly not 'closed'. It is very much alive and seeking to be at the frontline of responding to this crisis.

Whilst some church members will no doubt be severely impacted in their own level of income, others may not be so affected, and there may be some who would wish to support the local church through this challenging time. This really is the time where **individual, parish, diocese and national church need to work together**.

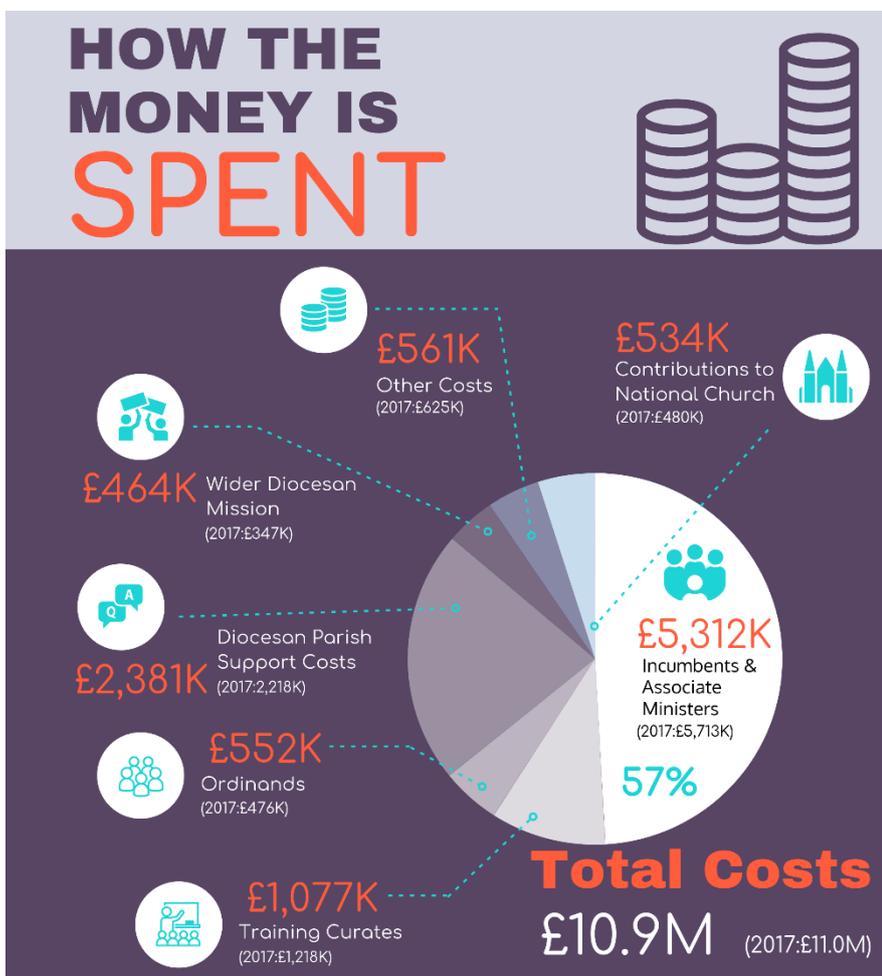
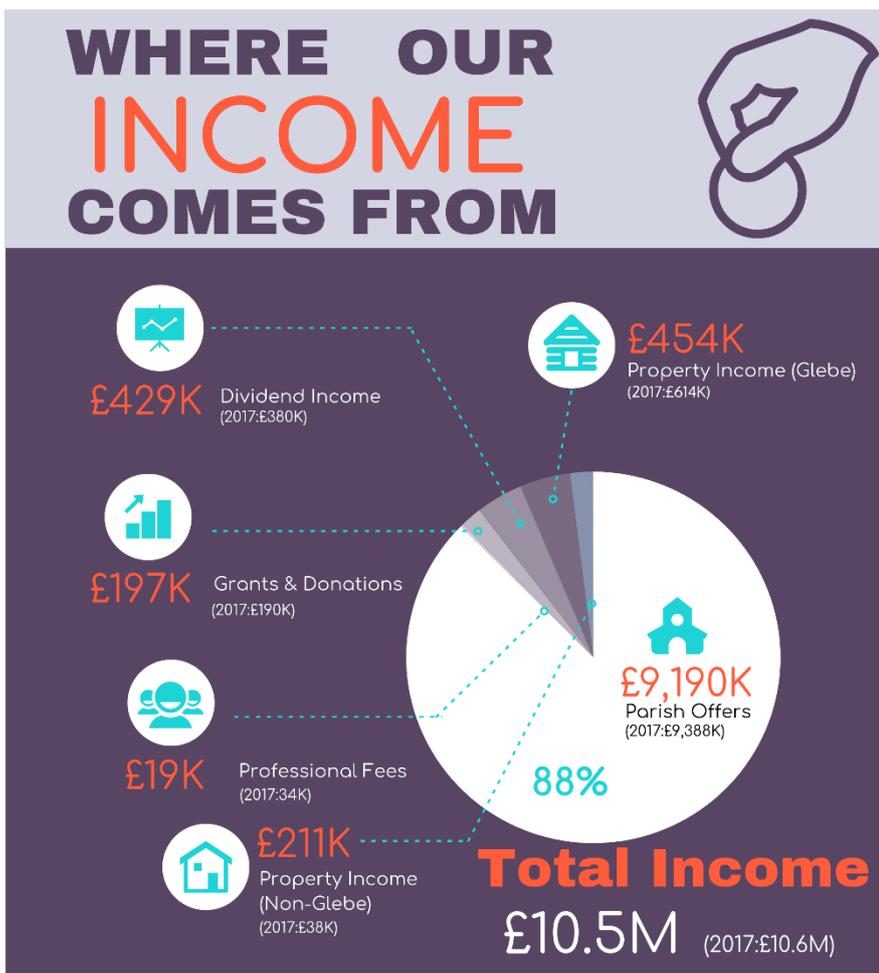
Thank you for your prayers, support and steadfastness during these turbulent weeks and months. **We are doing everything we can to support our local congregation and community during this crisis.**

We are so grateful for the energy and generosity you have given in the past, and with Covid-19 raising some very particular financial challenges for our church, I urge you to continue to serve the church with the same enthusiasm now. **I encourage you to consider prayerfully if you can help us rise to this challenge** using any of the methods overleaf.

Yours sincerely, God Bless,

Bill MacDougall
Associate Priest

Support costs for parishes 2018



The Diocese of Rochester is principally reliant on payments of parish offers, which represents 88% of total income. Here is a breakdown of where our Parish Offer is spent, based on a notional average contribution from each parish.

Cost of a full time incumbent	£41k
Current Stipend (from April 2019) (2018: 26,201)	£26,725
National Insurance (9.5%)	£2,539
Pension (25.9%)*	£6,922
Parsonage Upkeep (2018: £4,149)	£4,653
Cost of Full-time Incumbent	£40,839

Based on 165.8 average clergy in post (2017)

Diocesan Support Costs	£10k	
	Actual 2018	Budget 2019
Clergy Removals and Resettlements	£152K	£170K
Support Clergy and Office	£191K	£208K
Formation and Ministry	£270K	£258K
Other Ministry Costs	£93K	£85K
Strategy & Implementation	£57K	£61K
Safeguarding	£122K	£219K
Communications	£82K	£89K
Legal & Secretariat	£169K	£154K
Finance & Stewardship	£254K	£273K
IT	£144K	£155k
DAC	£119K	£114k
Other Office Costs	£40K	£51k
Diocesan Parish Support Costs (ex Parsonage Upkeep)	£1,693K	£1,837K
<i>Parsonage Upkeep (Budget included above)</i>	<i>£688K</i>	<i>£837k</i>
	£2,381K	£2,674K
Number of Benefices in the Diocese	182	180

Average contribution required to cover costs of mission, future ministry and the national Church of England **£14k**

	Actual 2018	Budget 2019
Curates	£1,077K	£1,151K
Ordinands	£552K	£502K
Wider Diocesan Mission	£463K	£465K
Contributions to National Church	£492K	£453k
Total	£2,584K	£2,571K

Net average contribution required for benefices unable to cover fully the cost of a full-time incumbent and additional diocesan support costs **£8k**

	Based on Actual 2018
Contribution required for 94 benefices unable to cover fully the cost of a Full-time Incumbent and Diocesan Support Costs	£1,360K

Average Contribution required from Benefices **£73k**

Gift Aid Declaration
PCC of Chiddingstone, St Mary

Boost your donation by 25p of Gift Aid for every £1 you donate

Gift Aid is reclaimed by the charity from the tax you pay for the current year / Your address is needed to identify you as a current taxpayer

In order to gift aid your donations you must tick the appropriate box or boxes below

- I want to gift aid my donations from this tax year onwards
- I want to gift aid all the donations I have made in the previous four tax years.

I am a UK taxpayer and understand that if I pay less Income Tax (and/or Capital Gains Tax) than the amount of Gift Aid claimed on all my donations in that tax year it is my responsibility to pay any difference.

Title _____ First name _____ Surname _____

Home address _____

_____ Postcode _____ Date _____

You must sign this box to show you agree to your details being held securely by the parish and being sent electronically to HMRC. They will be used for processing gift aid and for no other purpose. Your details will be retained for as long as required under the relevant Finance Act.

Please notify the church if you want to cancel this declaration, change your name or home address or no longer pay sufficient tax on your income and/or capital gains

If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid donations on your Self-Assessment tax return or ask HM Revenue and Customs to adjust your tax code

Gift Aid Declaration
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Bank Standing Order Mandate (St Mary's)

I wish to set up a standing order from my account at _____ (name of bank)

My account number is _____ and my sort code is _____

Please pay the sum of £ _____ on the _____ day of each month, commencing ____/____/____

and continue until instructed otherwise.

Please pay the money to the **Chiddingstone Parochial Church Council (St Mary's)**

At HSBC Bank plc. Their sort code is **40-20-35**

and the beneficiary account number is **21079220**

If you need to clarify this instruction then please contact me using the details you hold.

Name _____ Date _____

Signature _____

THIS SUPERSEDES ANY PREVIOUS STANDING ORDER TO THIS PARISH

✂ _____

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My account number is _____ and my sort code is _____

Please pay the sum of £ _____ on the _____ day of each month, commencing ____/____/____

and continue until instructed otherwise.

Please pay the money to **St Luke's Chiddingstone PCC**

At National Westminster Bank plc. Their sort code is **60-21-28**
and the beneficiary account number is **71344950**

If you need to clarify this instruction then please contact me using the details you hold.

Name _____ Date _____

Signature _____

THIS SUPERSEDES ANY PREVIOUS STANDING ORDER TO THIS PARISH

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