

**Diocesan Synod
Savings Update**

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1. Introduction

In 2023 when the budget for 2024 was passed it was agreed with Synod that the diocese would search for £300,000 of savings to reduce the deficit down from close to £1.1m to £862k

2. Income

During the exercise we looked at increasing our budgeted income from investments by £40k.

Outcome: We are currently looking on track for this. When Septembers accounts are finalised we should be around £40k ahead of budget.

3. Inflation

Our original budget had inflationary increases for costs of 4.5% which we then reduced down to 3.5%.

Outcome: Inflation currently stands at 3.1% so we were correct to reduce this. We are still forecasting a saving of £9,365 in this area.

4. Clergy Stipend and pension

Clergy pension was originally budgeted at a higher rate than was eventually awarded by the Pensions Board. This resulted in overall savings of £62,095.

Outcome: This is currently being achieved, however due to lower clergy numbers we are forecasting a saving of £145,000. We are also expecting clergy stipend to come in at £421,000 under budget for the same reason.

5. Staff employer pension

In December 2023 the Pensions Board confirmed that the Newcastle Section of the Church Workers Pension Fund had a surplus of £642,400 resulting in a usable surplus of £294,000. £150,000 of this was to be used as pension savings in 2024.

Outcome: The pension savings are currently on track to achieve this.

6. Curacy costs

The 2024 budget carried an expectation of 7fte stipendiary curates however the forecast was for 5fte resulting in a saving of £50,911.

Outcome: We are still on track for this

7. Conclusion

In conclusion the Diocese is on target to achieve the savings outlined at the beginning of the year. It will likely make in excess of these savings however that is partly due to lower clergy numbers than budgeted.