

LINDFIELD URC

THE URC MINISTRY & MISSION FUND

At the Church Meeting on October 8 the Church's 2010 contribution of £54,180 for the M&M Fund. There was some discussion of the 5% increase in a time of economic recession and low inflation and some concerns were expressed, so I promised to report on the background for those interested. A report will be made at the January Church Meeting and a more detailed hardcopy report will be available for those who want it, but this is a summary of the salient facts.

A. The facts behind the Ministry & Mission Fund.

This table sets out the basic figures for the actual accounts in 2008 and the budget proposed for 2010:

URC MINISTRY & MISSION FUND

	All figures in '000s				NOTES
	Actual 2008	%	Budget 2010	%	
Cost of Ministry	16,438	76.18	17,519	76.96	3/4
Training of ministers	1,016	4.71	1,009	4.43	
Education & Learning (Training)	626	2.90	727	3.19	
Youth & Children's Work	478	2.22	561	2.46	
Mission - Programmes, team & grants	891	4.13	905	3.98	
Governance - Assembly, Mission Council, Professional fees	622	2.88	344	1.51	1
Administration & Resources (inc. Church House)	1,507	6.98	1,700	7.47	
TOTAL EXPENDITURE	21,578	100	22,765	100	
Income - Ministry & Mission Fund	20,625		20,467		2
Pension - special funding			500		3
Other income - Investments, interest, grants, etc	1,343		1,078		
TOTAL INCOME	21,968		22,045		
(-Surplus)/Deficit	390		-720		

Note 1. Assembly now every 2 years

Note 2. Synod estimates of promised contributions

Note 3. Additional funds are being sought to help support the major deficit on the Pension Fund

Note 4. The basic stipend for a minister in 2010 will be £22,416 and the total cost of a minister is £30,434pa.

Lindfield URC Contribution 2010		54,180
	%	
Ministry costs (including training)	81.39	44,096
Training & Mission programme costs	9.63	5,219
Governance & administration	8.98	4,865
	<u>100.00</u>	<u>54,180</u>
Cost of Ministry Lindfield	56.17	30,434
Support for Ministry in other, less fortunate places	25.22	13,662
Training & Mission costs	9.63	5,219
Governance & administration	8.98	4,865
	<u>100.00</u>	<u>54,180</u>
Lindfield's share of the wider work & mission of URC	43.83	23,746

Let me make the following comments on the above:

1. From this analysis it will be seen that the vast majority of costs – over 80% - goes towards the provision and training of ministers. Whilst the number and cost of providing ministers remains steady (the total number goes down a little each year, whilst the stipend goes up roughly in line with salaries generally), the pensions deficit, like most final salary schemes, is substantial and needs to be addressed (though it should be said that, because of the low level of stipends and the fact that ministers' pensions do not take into account the value of Manse provision, our fund's shortfall is modest in comparison with many).
2. The primary objectives of the URC Trustees (of whom I am one) and the Ministry & Mission Fund are to support the church's ministry and its mission, in the UK and more widely. As indicated below every effort is made to contain costs, but ministry & mission must remain paramount.
3. Our minister generously suggested that maybe ministers should agree to take a stipend cut in order to reduce the burden on members. However, I guess few lay members would countenance such a move. The alternative is to reduce the number of ministers, which means each would have more churches to look after. I suspect most members would also resist this approach.
4. It is just not true that no attempts are made to address budget problems and economise. I know, from personal experience, how hard the church and its staff have been striving to reduce costs. For example:
 - a) Eight years ago the General Assembly/ facilities office had a staff of three with, at peak times, part-time. Now there is one person, with a part-time PA doing this work. The consequent overload, stress (and risk, if she were suddenly unavailable) has meant that a team of volunteers (of whom I happen to be one) has to devote a significant amount of time to helping in the Assembly Office in order to ensure that this vital part of the church's life can continue.
 - b) To save money and effort the General Assembly now only meets in alternate years and has been significantly reduced in the number of representatives attending. Many feel this is detrimental to the conciliar nature of our church and its decision-making, but it is driven by economics.
 - c) Three years ago one whole level of church administration, the District Council, was abolished. Many feel this has been disastrous and our Synod has now agreed to a modified way of working. However, from a financial point of view, the old system, in its last full year 2006 cost £27,000, whilst I estimate what we propose in its place will cost in a full year between £14,850 and £19,800 – a significant saving.

I quote these just as examples of the way in which the URC has been trying to reduce costs and provide better value for money (though sometimes at high cost to individuals in non-financial terms).

5. There seems to be a perception that the URC has a lot of small, weak (and by implication ineffective) local churches, which ought to be closed. As a Synod Moderator through the '80s we found that the haphazard closure of inner city and rural village churches, with small memberships, was totally unproductive for the Kingdom. For one thing, the average giving per head in many of those churches was much higher than in the more affluent suburbs and the commitment of members to maintaining their witness much greater. When I became Moderator in Thames North in 1978 we stopped church closures and concentrated resources on

some of those marginal churches. Sometime I would love to tell some of those stories (do you remember Derek Wensley's visit a couple of years ago about Newham?) Whilst I accept, of course, that sometimes it is in the interests of the Gospel to cease work in one place and move resources to another, I, for one, will never support a wholesale programme of withdrawal and retreat.

6. It was suggested that, where our churches are small, they should amalgamate with a stronger Methodist or Baptist church nearby. I totally agree. However, I have to point out that the URC has been in the vanguard of this sort of local ecumenical project since it was founded in 1972. When I left Thames North 40% of our churches were in some sort of local ecumenical project or covenant. In Sussex we have many examples (at Crowborough, Lewes, Littlehampton, Chichester, to name but a few).

If any further facts are required, please let me know and I shall seek to supply them.

B. The Assets of the URC.

In response to a query from someone who had the impression that the URC has substantial assets, which should be used to reduce the call for M&M contributions from churches, I have done the following analysis of the balance sheet of the Church.

From this it will be seen that the vast majority of the church's central assets are held in property – houses for ministerial staff and retired ministers. The investments and liquid assets at this point are actually inadequate to cover the deficit on the pension funds and maintain a working reserve sufficient to cover three months' outlay.

Please see overleaf for this analysis.

If there are things which are not clear and which need to be discussed, I am more than happy to talk individuals, groups or to Church Meeting on the subject. A great deal of information, including the Church's accounts, is also available on the URC website <http://www.urch.org.uk/>, in "Reform" and the Book of Assembly Reports (a copy of which every Church Secretary has).

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12 December 2009

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P.T.O.

**URC - CENTRAL/ ASSEMBLY FUNDS
AT 31 DECEMBER 2008 - BALANCE SHEET**

FOR (all figures ,000s)	CAPITAL	REST- RICTED	UNREST- RICTED	TOTAL	
Ministry & Mission Fund	1,415		2,911	4,326	
Maintenance of the Ministry	553			553	
Ministerial Training	7,940			7,940	
Westminster College	948	1,467		2,415	
Church Building Fund (grants & loans)	184	2,496		2,680	
Retired Ministers' Housing	359	3,406		3,765	
Retired Ministers' Housing		18,335		18,335	
Welfare	494	28		522	
Retired Ministers' Aid	136	-290		-154	
Retired Ministers' Fund	177	-508		-331	
World Church & Mission	200	402		602	
Windermere Centre		396		396	
Yardley Hasting Centre		590		590	
Commitment for Life		40		40	
Other Funds	3,027	1,256		4,283	
	<u>15,433</u>	<u>27,618</u>	<u>2,911</u>	<u>45,962</u>	
Houses for retired ministers	359	31,531		31,890	
Houses for serving ministers (staff)			4,963	4,963	
Other property (inc. Church House)	906	1,193	155	2,254	
Cars & equipment		57	153	210	39,317
Investments	9,591	6,277	3,914	19,782	
Loans		2,377	3,384	5,761	
Stock			49	49	
Debtors	20	1,924	5,891	7,835	
Bank balances & cash on call	4,557	501	1,231	6,289	
less Current liabilities		-6,841	-1,358	-8,199	31,517
					70,834
less Creditors (over one year)		-5,437		-5,437	
less Pension scheme liability			-15,471	-15,471	
less Other pension obligations		-3,964		-3,964	-24,872
	<u>15,433</u>	<u>27,618</u>	<u>2,911</u>	<u>45,962</u>	

NOTES

- 1 CAPITAL cannot be spent, but the income can be used for the general or specific purposes of the Fund
- 2 RESTRICTED can only be used for the defined purpose for which it is given
- 3 UNRESTRICTED can be used for any charitable purpose.
- 4 WORKING CAPITAL - it is usually deemed prudent to maintain resources at least equal to three months' expenditure available in accessible, current assets at any time.
- 5 RETIRED MINISTERS It will be seen that a great deal of the Church's capital is locked up in the provision of housing for retired ministers and dealing with the liability on the Pension Fund.

MJD 29/10/09 - extracted from the 2008 accounts of the URC

The full accounts may be found on the URC website - type in "accounts" and scroll down till you find them.