###### Finance

The United Reformed Church  
United Reformed Church House  
86 Tavistock Place, London WC1H 9RT

**To: Church Treasurers**

**Copies to:** Church Secretaries, serving Ministers and Church Related Community Workers; Synod Treasurers and Finance Officers, Synod Moderators, and Synod Clerks; Finance Committee, Ministries Committee and Officers of General Assembly

Dear Colleagues,

Firstly, thank you for all the time and expertise that you give to your local church and through it to the wider church. Financial stewardship plays an important part in the life of the church and your contribution is appreciated.

Ministry And Mission Fund – Annual Letter to Local Churches

The purpose of this letter and annexes is to provide local churches with an annual update on the Ministry and Mission (M&M) Fund, as requested by General Assembly. This letter is aimed mainly at church treasurers and provides some detailed financial information. Below is the accompanying document containing the text of a "thank you" letter to each person in your congregation. We hope this will find its way into church magazines/newsletters/email circulation as well as synod newsletters and onto church and synod websites. Ideally, we would like every member of your congregation(s) to have sight of a copy. It will also be available on the stewardship page of the URC website ([bit.ly/MMF-AnnualLetters](https://bit.ly/MMF-AnnualLetters)) along with other resources.

**Financial landscape**

We all know that the country (individuals, churches, URC synods and Church House included) has been hit with significant financial disruption through a jump in inflation stubbornly resisting reduction and a cost of living crisis for many. Some URCs have returned to some stability after the pandemic, but many are now struggling with significant cost increases, particularly in relation to fuel costs, wages and maintenance.

As members of local URCs and synods ourselves, we (as stewards of the denominational finances) understand those pressures and we are living through the challenges with our own congregations.

In 2023, the shared generosity of the churches and synods led to income to the M&M Fund of £16.3 million, being slightly higher than the budget. This included £1.9 million of top-ups from the synods to maintain their overall contribution in the light of reducing church contributions.

We hope the enclosed /attached letter for members of your congregations adequately expresses the thanks of the finance officers of the national church. We hope it will also enable you to encourage your people to continue to be the generous and cheerful givers we are assured God loves (2 Corinthians 9:7).

Additional Financial Information

The letter to church members is deliberately light on financial data. Its main purpose is to say 'thank you'. The additional information in our letter to you is to inform you and to provide you with resources to help with your discussions and presentations regarding future giving to the M&M Fund.

Summary of financial information – Annexes

Annex 1 gives a summary of the income and expenditure of the M&M Fund in 2023 as well as the budget for 2024. The annual budget is normally presented to, and adopted by, Assembly Executive at its autumn meeting of the previous year. The actual outcome, in the form of the statutory accounts of the URC Trust, will from now on be reported to General Assembly each year. The audit of the 2023 statutory accounts has been completed as we write.

When the statutory accounts are finalised, they will be made available in the Finance section on the URC website: [www.urc.org.uk/trustees-report-and-financial-statements](http://www.urc.org.uk/trustees-report-and-financial-statements). If you want a printed copy, please contact the Finance Office at the above address. These accounts cover all the central finances of the United Reformed Church, which is principally the M&M Fund but also includes other Funds such as the Retired Ministers Housing Society.

Overall, the figures in Annex 1 show a deficit (i.e. excess of expenditure over income) for 2023 of £1,136k. However, this was in part anticipated, with the original budget showing a £664k deficit. The most significant element of this variance was caused by the over-run of the pension scheme closure which added a further £300k (approx.). Actual slippage otherwise was about 1% of income, although it would have been happier if we had been 1% better than expected, rather than 1% worse.

Annex 2 summarises the 2023 income and expenditure in the form of charts.

Income

The giving of local churches and synods to the M&M Fund reduced by £370k (2%) to £16.3m in 2023, but this is another good result, especially given that during the year it looked as though we might be well short. Investment and other income took the gross income of the M&M Fund to a total of £18.2m.

Expenditure

Total expenditure in 2023 was about £674k over budget, of which approx. £300k was the additional cost of running the (now closed) defined benefit pension schemes for two months longer than anticipated.

The costs of stipendiary ministers and church related community workers, including training, stipends and pensions, represent around 80% of total expenditure.

2024 Budget

Budgeted income for 2024 includes a possible reduction of 2% on church contributions (based on synod projections) and investment and other income similar to 2022, so that gross projected income is £17.7m.

Budgeted expenditure for 2024 is £19.2m, similar to the actual 2023 expenditure, and an expenditure review is under way to target reductions of around 3% to 5% p.a. over the next   
five years.

In the table below, "Direct Ministry costs" relate to stipends, pension and NI contributions for stipendiary ministers and CRCWs. "Ministry-related costs" include the costs of ministerial training and synod moderators. The wide variety of other work funded centrally, including discipleship development, children and youth work, ecumenical and international links, governance and administration are bundled together in "Other costs".

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2024 Budget** |  |  |
|  | £ million | Cost per Stipendiary Minister - £ | Cost per URC Member - £ |
|  |  |  |  |
| Direct Ministry costs | £11.9m | £42,420 | £326 |
|  |  |  |  |
| Ministry-related costs | £2.9m | £10,410 | £ 80 |
|  |  |  |  |
| Other costs | £3.4m | £12,205 | £ 93 |
|  |  |  |  |
| **TOTAL** | **£18.2m** | **£65,035** | **£499** |

The central column does not mean that each minister costs £65k. It means that the total budget supported by M&M giving works out at about £65k for every minister deployed in   
local churches. The right-hand column suggests that giving of £499 per member is needed. This is, of course, an average. We are all asked to give according to what we can afford and   
as we sense the call of God on our finances.

URC Ministers' Pension Fund

The challenge of covering deficit contributions on the previous Ministers’ (defined benefit) pension scheme has been met by a “family solution to a family problem” with extraordinary commitments to contributions made by all synods. These contributions are held in a restricted fund separate from the M&M Fund. Contributions are made across to the Ministers’ Pension Fund on an agreed basis (the Schedule of Contributions) and reported quarterly.

The move to a URC Pension Fund based on a defined contribution scheme was brought in from 1 March 2023.

Contributions to the M&M Fund in 2023 and beyond

Thank you for your continuing efforts over this past year's extraordinary circumstances to maintain the income of your local church and thereby to make your contribution to the M&M Fund. We do very much appreciate all that you are doing and encourage you to continue through 2024 as you and we plan for 2025 and beyond.

**Further Help**

If you have any questions about anything in this letter, please do not hesitate to forward your questions/comments via the Finance Office at Church House on 020 7916 8644 or by email to [john.samson@urc.org.uk](mailto:john.samson@urc.org.uk).

Yours in Christ,

Alan Yates Vaughan Griffiths

Treasurer Deputy Treasurer

On behalf of the URC Finance Committee

Annex 1 – Management accounts



Annex 2 – charts