



The
**United
Reformed
Church**

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) 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. 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.

Yours in Christ,

Alan Yates
Treasurer

Vaughan Griffiths
Deputy Treasurer

On behalf of the URC Finance Committee

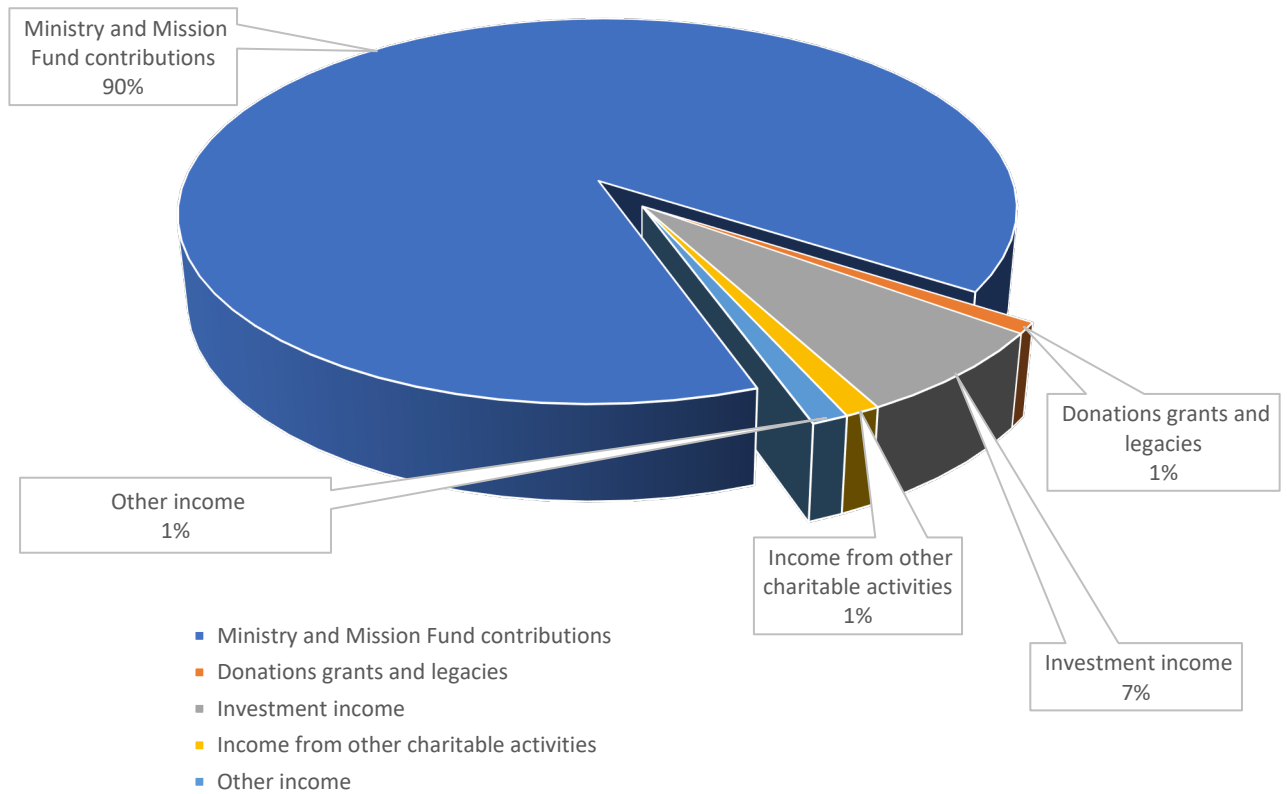
Annex 1 – Management accounts

UNITED REFORMED CHURCH
 URC M&M FUND
 For the year ended 31 December 2023

TOTAL	Actual 2023 £	Budget 2023 £	Budget 2024 £
Income			
Income from Churches & Synods	16,315,691	16,259,240	15,845,000
Donations, Legacies & Grants	174,685	152,000	175,500
Income from training & academic activities	1,380	1,000	1,200
Other income	39,402	12,000	23,780
Income from Investments	1,433,209	1,189,000	1,287,000
Income from Trading Activities	205,225	216,900	216,600
Property income	171,767	162,550	188,950
Total Income	18,341,357	17,992,690	17,738,030
Expenditure			
Discipleship			
- Ministries	13,191,966	12,873,597	13,165,688
- E&L	1,596,617	1,460,217	1,464,027
- Children & Youth Work	305,535	327,250	347,450
- Safeguarding	190,481	221,116	250,450
- Secretariat	108,474	90,657	101,725
- Digital	57,652	55,117	59,670
	15,450,725	15,027,955	15,389,010
Mission			
- Church & Society	7,772	10,850	14,950
- Ecumenical & Interfaith	97,293	63,800	71,550
- Global & Intercultural	144,343	91,800	118,844
- Mission & Evangelism	14,744	0	0
- Staff, Committees & Secretariat	463,832	511,150	508,922
- Walking The Way	0	5,000	0
	727,983	682,600	714,267
Admin & Resources			
- Secretariat	506,332	426,831	344,275
- Communications	705,853	698,850	698,380
- Facilities	346,567	388,800	378,998
- Finance	474,558	404,800	504,600
- Human Resources	161,211	172,800	171,350
- Information technology	313,574	266,698	298,670
- Central Properties	88,354	40,000	40,000
- Compliance	0	0	67,200
	2,596,450	2,398,779	2,503,474
Governance			
- General Assembly (incl Task Groups)	175,763	168,280	152,800
- Assembly Executive (incl Task Groups)	144	4,000	24,790
- Professional Fees	143,137	126,000	133,670
- Section O	54,282	55,000	42,000
- Trust & other Committees	49,209	29,400	36,000
	422,535	382,680	389,260

Annex 2 – charts

Unrestricted income Year ended 31 December 2023



Unrestricted expenditure Year ended 31 December 2023

