

**Last Sunday, Gary Zoltie, the St John's Treasurer, presented this important update about the state of the parish's Finances. Below is a slightly edited version of what he said.**

*(We hope to include in next week's newsletter a transcript of the dialogue between Donald Scott and Fr Jock that preceded this presentation, and gave it a context)*

Good morning and thank you for allowing me 7 or 8 minutes of your time to update you on the financial issues facing St John's church, now, and into the future.

You have heard Donald Scott, our Pastoral Council Chair, and Father Jock earlier in the Mass, trying to give you the bigger picture – both in terms of what we try to offer as a parish – with that crucial document, **Key Areas of Parish Life** (see attachment in next week's newsletter) – and in terms of how the church is funded on both a parish and diocesan level.

Following on from that, first of all, I would like to say up front that we are as a matter of policy as frugal as we can be with our costs although it goes without saying that keeping our buildings; the church, parish house, and hall in good condition doesn't come cheaply. In the last 5 years we will have spent around £700,000 on renovation and repair projects, being the lighting replacement, tower and church external renovation, hall kitchen replacement and finally the current year's heating replacement project for the church and parish house. Going back to the earlier discussion between Father Jock and Donald, I firmly believe that our entire St John's community i.e. us, has a responsibility to ensure that these buildings are fully maintained in order to pass them on to the next generation in a good and useable condition.

Coming back to the costs of running the whole church I thought it would be worthwhile to explain some of the details of what we have to pay for and where your weekly or monthly collection money or standing order payments go.

A large chunk goes to the Archdiocese. At the moment we pay 32% of our income, around £25,000 each year, towards two main items: 18% goes towards their running costs at Gillis e.g. Staff costs, property maintenance, utilities etc. In fact, all of their funding comes from either the parishes or from rent from properties that they own. A further 14% of our income goes towards the AICF, the priests' pension fund, about which I have presented to you in the past and is a relatively new cost for us.

We also pay around £500 per week on running the Parish House. This covers cleaning costs, utilities, telephone and internet costs, food shopping for Father Jock, house repairs and council tax. (Since the Parish House is a shared Parish House – shared with our sister parish, St Mary Magdalene's - St MM's pays 25% towards the cost of running the House, and similarly for various other joint expenses below).

Church and hall costs are around £675 per week which covers utility costs, repairs, expenditure on worship, liturgy and faith formation.

We also have a general heading in our accounts which is £750 per week. This covers the parish priest's salary and cost of supply priests. Many of you may be surprised to hear that Father Jock's salary is all of £3,500 per annum, albeit supplemented by 'stipends' – ie donations made for a Mass Intention, and for the celebration of baptisms, weddings, funerals etc - quite cheap given the near 24/7 service he provides to those that need it! (Incidentally, Deacon Eddie's faithful service is 'non-stipendiary' – ie he receives no salary payments at all from the church). The general section also includes stationery and photocopier leasing costs. We pay half of the running costs of Father Jock's car and he pays the other half personally. He also buys the car himself, and the rest of this section includes property and contents insurance, Enrico our parish administrator's salary, and finally computer costs such as livestreaming licences, accounting system licence and any replacement equipment required.

So, what is the problem?

The problem is that whilst we have some other income sources such as gift aid claims, hall rental and other donations, for the first 8 months of

this year we have spent £6,000 more than our income - ie we are now living beyond our means. I have been Treasurer at St Johns for over 10 years now and until a couple of years ago we always made an underlying surplus of around £15,000 every year which allowed us to cover sudden emergencies like the heating project. However, this year I forecast that we will make an underlying £20,000 loss and this will continue every year unless we do something about it.

The main reasons for the swing from a £15,000 surplus to a £20,000 loss are

- Our collection income (plate and standing orders) is 8% lower than last year
- The AICF payment to the Archdiocese for building an adequate pension scheme for the priests is a relatively new concept. I believe we have a moral obligation to support this but we cannot necessarily afford it given our current level of income and this is not negotiable with the Archdiocese, all parishes have to pay it.
- Our gas and electricity contracts have changed recently and resulted in large increases in our costs. We moved to a new gas contract at the end of last month resulting in a 94% increase on our previous rates

Like all of us the church is faced with general cost inflation affecting most of the previously mentioned cost lines.

So, what's the answer?

The Finance and Parish Councils – along with the similar bodies in St Mary Magdalene's - will continue to manage the costs as best we can and limit expenditure where possible.

We, that's you and I, the St John's Community, can also play a large part in resolving this in three ways

1. A large percentage of our income is paid by standing order. We ask that you review how much this is for you and whether you can afford to increase it. In many cases these were set up around Covid time. That's now 4 years ago and many of them have not increased

since then. For those of you who prefer to put cash in the plate, again, we ask you to consider whether you can afford to increase this.

2. Gift Aid is a simple way for us to grow our income. For every £10 you donate we can claim £2.50 in income tax from HMRC. As long as you are a UK taxpayer all you have to do is complete a form, which we can provide, with your name, address, and signature and hand it to myself or to the office and leave the rest to us. There is no commitment to donate any fixed amount if you sign up. We just add up your annual donations and claim the money from HMRC.
3. Around 60% of you pay either weekly or monthly by standing order which ensures we receive a regular income stream month by month and it's a direct bank transfer from your account to ours. This means 40% of you pay by cash donation so we ask you to consider changing over from cash to standing order. Another benefit of this is that our bank charges are significantly less as our bank charges a percentage of your cash donations, whereas for standing orders its only 10p per transaction.

I think it's also worth highlighting that following the payment of our heating project and other payments owed over the balance of this financial year I expect our bank balance to end the year at around £80,000. If we do nothing and continue to lose £20,000 each year in the future we will run out of money within 4 years.

So, whilst this sounds a bit bleak we do have these 3 options to resolve this (Reflect on and possibly increase standing order and cash donations – but only if you can afford to; start standing order donations if you don't already do so; and ensure your donations are gift aided.)

I hope that, if you can, you examine your stewardship responsibilities in a positive way to allow us to look forward to a secure future for St John's, a church and community that is so close to so many of our hearts.

Thank you.