

PCC Treasurers

Cc Incumbents

23 March 2020

Dear Treasurer

Covid-19 Financial Implications

Archbishop Justin announced this week that public worship in our churches has ceased for the moment, so we are 'doing church differently'. We expect that the pastoral workload for clergy will increase substantially in this time of challenge and uncertainty in parishes and the wider communities they serve.

It goes without saying that as a church our first concern is for all of God's people; those sick, those caring for others and for all those who are finding isolation and a disruption to the rhythm of life unsettling and uncomfortable. Within these troubling and uncertain times, many clergy will have a leading role in front line care for everyone in their communities and so it is vital that as church officers and PCCs we take all reasonable and appropriate steps to secure regular financial giving and support this ministry.

The COVID-19 crisis will inevitably be a challenging time for all of us financially. The current closure is hitting many parishes immediately and significantly. Many churches are reliant on their income from weekly collections and envelopes, and also receive income from renting church halls and facilities. As many consider cancelling weddings, the likely reduction in parochial fees will hit both PCCs and the DBF directly. Monthly standing orders from church members, which represents a substantial proportion of income for most parishes, provide us with some underlying resilience, yet even this is not immune to reduction in the days ahead.

Most of us, including the Diocese, live within tight budgets with limited cash reserves. An interruption in income will no doubt have an immediate knock-on impact on the ability of some parishes to meet ongoing bills. We understand the appeal of reducing financial outgoings straight away, but the situation is fluid and we would therefore ask you to not make any significant decisions at this stage and to continue to assess the financial impact and implications as our understanding of the reliefs available evolves.

Parishes will obviously need to consider carefully how they continue to make ends meet. Whilst it may be acceptable to put a temporary hold on immediate payments, there is clearly a moral obligation on us to pay our bills according to payment terms, although some providers may be willing to extend arrangements.

Where parishes employ staff, at present it is hoped, along with wider Government advice, that employment may be maintained during the hopefully limited period of the outbreak. On Friday, the Chancellor announced support for businesses, and we understand charities, through the Coronavirus Job Retention Scheme whereby the government will pay a grant equating to 80% of wages for employees not working, up to £2,500 a month. Parishes may wish to take advantage of the scheme; the link to HMRC's website is here:

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<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>.

The situation provides us with an opportunity to work together to overcome the challenges we face. The Common Fund is the bedrock of diocesan finances, with Parish Offers providing 83% of its income. This is used to pay the stipend, pension and housing costs of parish clergy as well as the costs of essential diocesan and national church services. We do need, therefore, to continue to receive the pledged amounts from PCCs during this period if at all possible. If, however, this will cause you difficulties, please be in conversation about this with the finance team as soon as possible.

At a time of such widespread challenge, this may be a time when we have to accept the need to draw on our undesignated reserves, at parish, diocesan and national level. In the end, we will be looking at the residual burden of loss on the church being fairly shared between NCIs, Dioceses, PCCs and also church members alike.

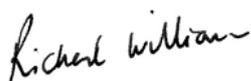
These are unusual and unexpected times for all of us. We are assessing new information daily, including being in contact with National Church Institutions, and looking at how we can support you best through this time. In the coming days and weeks we will send you more information.

We are enormously appreciative of all that you do to help us to maintain ministry across the Diocese and we look forward to ongoing contact and meeting later in the year at the Treasurers' Conferences.

Yours sincerely,



Matthew Girt MA FRSA
Diocesan Secretary



Rev Richard Williams BSc FCA
Finance Director