



St John's Church is:

- Building Community
- Growing in Worship
- And reaching out with the Love of Jesus Christ



Office tel: 0117-9863354
Email: samcaw@talk21.com

c/o The Parish Office,
1, The Park,
Keynsham.
BS31 2BL

Dear Member of St John's Church,

December 2014

I am writing on behalf of the group of church members who run St John's, (the democratically elected District Church Council or DCC), to present to you the need for all of us to regularly give 63p more per week so we can balance the 2015 budget. This is a significant request coming so soon after the parish planned giving campaign in October when we were all asked to increase our giving by 2%, which many of you will have done. Therefore to ask for all of us (as far as we are able) to add an additional 63p a week to our giving to St John's is a serious thing, and requires explanation.

If you would like the fuller explanation please turn over the page. What follows on this page is the briefer summary explanation:

Every year in November the St John's DCC treasurer (Mary Richards), presents to the DCC a budget for the coming year. This year Mary presented the DCC with the list of income and expenditure, with an excess of expenditure over income of £18,700. This was due to a fall in planned giving, the need to include fundraising in the budget and the increase in the salary of a staff member.

When the DCC met on Tuesday 2nd December it considered a variety of ways of increasing income or decreasing expenditure, in order to match expenditure with income. All options were discussed including cutting staff costs – which provoked some passionate conversation. When the DCC had concluded the conversation it agreed to:

1. *To raise £5,000 through fund-raising in 2015*
2. *To ask the PCC for £5,000 reduction in central costs to St John's Church - most of which could come through crediting the 2014 PCC underspend back to the churches in 2015*
3. *To ask each church member to give £2.75 more each month (63p more each week, £33 a year) from 1st January. This would raise £10,000 for the year, which with gift aid on about 60% of this giving, which would mean a total of £11,500*

These together would balance the budget and include a small 1% contingency (or positive balance) to help prevent financial embarrassment during the year. Behind this lies the understanding, that if we cannot balance the budget, we will need to make some cuts that will affect us all.

It is important to say how different the present financial situation at St John's is from the one three years ago, when St John's concluded 2011 with a £72,811 debt and faced a budget for 2012 anticipating a £30,000 deficit. In contrast we are finishing 2014 with a likely debt of only £5,000 (the target is zero), and the request that we all give an extra 63p a week is to balance the 2015 budget to consolidate our financial stability. We are not being urged to yet new heights of giving, rather a return to the level of giving of 2012, which has dropped off since then.

It is great to be a part of St John's, which is such a great church. We have so much to be grateful for: the high quality of music, worship, preaching, social activities and fellowship that we all know and love.

What we all need to do is to return the pledge card attached to this letter in the envelope supplied (even if our pledge is not changing) and instruct our bank (as we are able) to increase our standing order from 1st January. If we are new to the church, please join in supporting St John's; there are gift aid forms at the back of the church.

Thank you.

St John the Baptist; St Francis, Warwick Road; St Margaret, Queen Charlton; St Michael, Burnett; Chewton Keynsham

By way of the longer explanation, here are the answers to five possible questions:

What is it about the 2015 budget that means everyone must give 63p/week more to balance it, when this wasn't the case in 2014 or 2013, and we managed to balance the budget then?

Every year in November the St John's DCC treasurer - Mary Richards, presents to the DCC a budget for the coming year. This year Mary presented the DCC with the list of income and expenditure, with an excess of expenditure over income of £18,700, this is with a budgeted expenditure overall of £245,500 – nearly a quarter of a million pounds.

There are three reasons for this difference from the 2014 budget:

1) **A decrease in planned giving** which is illustrated below:

	2011	2012	2012 after Feb appeal	2013	2014	2015
Anticipated Planned Giving for the year	£133,000	£129,000	£151,000	£152,000	£141,000	£137,000
Church membership for Parish Share	330	326	-	326	325	309

The first thing to notice from the table is that over the last two years the planned giving has dropped by £15,000, and, as the membership figures show, this 10% drop in giving is not explained by a 5% drop in membership.

Jane Stockall (planned giving secretary) has looked at the figures and concluded, 'During 2014 we lost five families and couples due to moves and changes of employment status which resulted in an annual loss of £7,420. Sadly we also lost at least two due to deaths resulting in a loss of £700, and approximately a further 22 people either did not give or gave at a lower level producing a reduction of £4,300. Many of these are very elderly who have gone into nursing homes. We have gained one new giver to date.'

The second thing that is evident from the table is the huge response that you and all the members of St John's made to the appeal in February 2012, when we began putting our financial house in order. At that time we asked for £2 more per person per week, and the amazing response was a leap in the planned giving of £22,000 from £129,000 to £151,000. Our appeal this time is much less than £2 per week, but is an appeal to once again dig a little deeper, and be amazing again.

2) Because we did not reach our target of £10,000 of **fundraising** in 2014, our DCC treasurer did not include any fundraising in the budget until the DCC had agreed a figure. Since through the efforts of so many we raised £5,300 in 2014, the DCC agreed to budget for £5,000 of fundraising in 2015, but if we are going to reach this target, we will need to run a summer fete again, and for all the 2015 Christmas Tree Festival donations (please) to go to St John's general funds.

3) The third reason the budget included greater expenditure over income was **an increase in expenditure on staff salaries** of £3,700. This is almost entirely due to the realisation, that through an oversight, we hadn't been paying our Premises Manager and Caretaker his full salary since he had received an increase when he moved from the role of Caretaker to the role of Premises Manager and Caretaker in February 2013. We have paid him his backlog this year, and budgeted for the increased expense of £3,700 in 2015. It is worth saying that when the previous Premises Manager left, and Chris O'Hara took on the joint role of Premises Manager and Caretaker, the combined wage bill for all the parish's staff came down by £1,500, however a higher proportion was paid by St John's than before.

From the above it can be seen that the increased pressure on the St John's budget is not from expenditure on new ventures by St John's, but is mostly from loss of income and a little from a necessary increase in expenditure. These have come to a head in 2015.

When the St John's DCC met for a specific meeting to consider how to balance the 2015 budget, why did it decide to ask everyone to give 63p/week more to balance the 2015 budget, rather than cutting costs?

When the DCC met on Tuesday 2nd December it had before it a variety of options which it worked through systematically:

- When it came to income: it was agreed it could increase its income by fundraising and asking church members for increased giving, but it was not agreed to raise Parish Hall hire charges in 2015, because after the rises of recent years, there was a risk of endangering custom.
- When it came to expenditure: the most passionate debate was around the reduction in the hours of parish staff. On the one hand it was argued that all staff costs should be 'on the table,' and on the other hand that a mission-minded church should not be considering cutting down staff time which would clearly impact on mission and ministry. However there was agreement that the DCC should ask the Parochial Church Council for some reduction in St John's payments to the centre (£51,500 in total) for 2015.

The DCC agreed unanimously at the end of the meeting:

A 1. To raise £5,000 through fund-raising in 2015

2. To ask the PCC for £5,000 reduction in central costs to St John's Church - most of which could come through crediting the 2014 PCC underspend back to the churches in 2015

3. To ask each church member to give £2.75 more each month (63p more each week, £33 a year) from 1st January. This would raise £10,000 for the year, which with gift aid on about 60% of this giving, which would mean a total of £11,500

4. To communicate this to the congregation with presentations at all the Sunday Services at one Sunday before Christmas.

5. To develop a strategy for church growth over the coming year.

B To agree the budget as presented by Mary Richards treasurer with these additions.

Isn't this yet another appeal for money? It never seems to end?

It is important to be clear, about how different the financial position for St John's is in December 2014, compared to February in 2012. St John's is in a much more financially stable state than it was at the beginning of 2012, and this is great achievement for which we should all be justifiably pleased.

To recap, I have forever in my mind (and perhaps you do too) how we finished 2011 unable to pay all our financial obligations by a staggering £72,811. In addition we had an excess of expenditure over income in the 2012 budget of £30,000. This was a completely unacceptable situation. We have turned this around over the last three years by running balanced budgets, thanks to factors such as everyone's amazing generosity, along with increased hall hire charges and fundraising.

Our target was to conclude this year with no debt, and as you know in September this looked very unlikely due to unexpected expenditure and less income from fundraising than anticipated. However thanks to God (in whom we have great faith) and the generosity of an anonymous donor we will be concluding this year with a likely debt of only approximately £5,000. This is amazing and a cause for great gratitude. (NB our target remains zero for each forthcoming year.) We will be celebrating this on the weekend of Sunday 25th January with a 10.30am service followed by 'a bring and share lunch.'

So the first reason that this is not yet another appeal for money in the long line of many, where the need seems undiminished, is that the finances are in much better order. There are others reasons too:

- We have for the first time for a long time reached a place where we can include in the budget a small contingency (a slight surplus of 1% of £2,700). This means we can cope with unexpected expenditure without immediately becoming financially embarrassed
- The amount that each church member needs to regularly give each week to balance the budget is £11. This is not an increase on the figures in 2012.

On the subject of £11 per person per week being the amount each of us need to give. Some of us will find this more than we can manage, others will be able to manage more, but knowing that £11 per week (with its additional £2.75 of recovered tax via the church gift aid scheme) will be our part in balancing the budget is an important baseline. Incidentally this is the average amount per week needed from each church member, not just the planned givers, who number about two thirds of the 309 total. (NB this means each member of a couple needs to give £11 a week.) We also need to note that of this weekly amount: £8.31 must be paid to the diocese to meet our parish share responsibilities.

What will we have to show from our increased giving?

St John's is such a great church to belong to, that what we will gain from our giving will be the continuation of the same high level of music, worship, preaching, social activities and fellowship that we all know and love. We know that we are not perfect at St John's and there is no room for complacency, but we also know that the church of which we are part matters hugely to us and we want to do our part to maintain it as the happy and vibrant place it is, as well as look to growing into the future.

It is important to mention that the recent work on the repair of the chancel steps has been funded jointly by the Friends of St John's and the DCC fabric fund; and the carpeting of the dais has almost all been paid for by an anonymous gift. (These works on the building are not part of the general funds for 2014 or 2015.) That we have received such generous donations, the gift for the dais carpet being just one (and the gifts to the general fund we have received this year being others), speaks volumes for how highly we each regard our church.

What we will each receive by increasing our giving by 63p per person per week is the continuance of a thriving St John's.

What do I need to do now?

With this letter are a pledge card and an envelope. Once you have considered this appeal and your own financial situation, please return the completed pledge card to Jane Stockall (Planned Giving Secretary) in the envelope provided. Please note Jane and Mary Richards (DCC treasurer) are the only people who will know how much you have pledged to give.

- Please return your card immediately, the increased giving is needed from 1st January
- Please don't forget to tell your bank to increase your standing order yourself
- Please don't forget to gift aid your donation if you pay tax. It increases your gift by 25%
- Please return the pledge card even if you are unable to increase your giving.

If you are new to St John's and have been moved to join the planned giving scheme, there are standing order and gift aid forms available at the back of church, on the table from which service sheets are handed out. We would love you to join us in regular giving too.

This will truly be a team effort.

Lastly, often on the foundation stones of churches are inscribed the initials AMDG, the initials of the Latin phrase, 'For the greater glory of God.' Just as that foundation stone is the only one that names God explicitly, and all the other plain stones contribute to the whole church built for His glory, so this letter which speaks a good deal about money, but very little about God, is just like those uninscribed blocks of plain stone, a means to His greater glory, and this final paragraph a reminder that this is at the heart of what this letter is all about: *Ad majorem Dei gloriam*.

Yours sincerely,

Stephen M'Caw