

# Annual Accounts 2023: Financial Summary

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A summary taken from the Annual Report and  
Financial Statements for the year ended 31  
December 2023

# From the Chair

This summary from the more detailed Annual Report and Financial Statements provides an overview for our members and the parishes about how we have been using our resources over the last year, and what our priorities and key risks have been. It shows a slowly improving picture. Although we ended the year with a deficit in our unrestricted funds, this was much smaller than originally forecast and continues a trend of sensible reductions to our expenditure and prudent use of our resources to maximise income from investments and other assets. We continued during the year to discuss with our auditors the most appropriate way to use Total Return.

The steps towards a collaborative, generous Diocese focused on flourishing in God's love, with parishes making generous pledges and LMPs beginning to work together to support each other, continued last year to enable the end of year figures to be more encouraging and to allow us to begin to realise our plans for mission and ministry. I would again like to offer personal thanks to Ann Treacy for all she has done to help us achieve this year's outcomes and we wish her well in her new role at Belvoir Castle. And to reassure you, there is a robust succession plan in place, and we should be able to give more details at Diocesan Synod in April.

Last year's Audit identified a major risk with regard to our IT infrastructure. This has now been addressed and thanks are due in particular to Helen Doyle, our Assistant Diocesan Secretary, for spearheading both the successful project to address the risks and the creation of the new website. All of this work came in on time and on budget.

Whilst we recognise the challenge ahead, we have a plan for our future together to which we have all committed. 2024 and beyond will be about building on the strong foundations of the first phase of Time to Change Together to move forward. What we do now is about safeguarding the gifts we have been given to spread the Word of the Gospel in Greater Lincolnshire, for future generations as well as for our own.

**Canon Professor Muriel Robinson OBE DL**

**Chair of the Lincoln Diocesan Trust and Board of Finance Ltd**

# 2023 Summary

## Progress in the Year

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### A New Bishop

2023 saw the arrival of the seventy third Bishop of Lincoln, the Rt Revd Stephen Conway. This ended a number of years of instability in the oversight of the diocese, during which we were very privileged to have the steady leadership of the Bishops of Grimsby and Grantham. Bishop Stephen's appointment was announced in May and confirmed legally in July. In November he was enthroned in a magnificent, joyful service in the cathedral in which the greater Lincolnshire community and our many partners were represented. His having been our acting bishop for 16 months has enabled a smoother entry into role and a consistency of strategic approach that might not have been the case with a brand-new bishop. With a full complement of bishops and archdeacons, we now await the appointment of the new substantial Dean at the cathedral, after the retirement in March of the Very Revd Christine Wilson, our first female Dean.

### Strategy

Our major strategic approach is expressed in Time to Change Together (TTCT). After four years of consultation, design and implementation 2023 has seen significant, further, concrete implementation of TTCT's recommendations. The Deanery Partnerships and Local Mission Partnerships have been launched with the focus on the launch of LMPs at the annual Churchwardens' Visitation services in June and July. Following the success of the previous series, Arch-deaconry Vision Days reinforcing the culture TTCT encourages were led by the bishops and archdeacons and held in Grimsby, Lincoln and Grantham. Discussion centred on growth, generosity and collaboration. At each attendance by clergy and lay ministers was pleasing.

As will be shown later in this report, covenant pledges are delivering better income than predicted. However, given the cost of living, inflation and challenging congregational numbers, there is some anxiety as to how many benefices and LMPs will be able to remain faithful to the pledges made.

Having paused recruitment for the most part during Covid and while we embedded TTCT, we have now embarked on significant recruitment to stipendiary clergy roles. Retirements and moves have meant that we are significantly under our target numbers for incumbent level clergy. Given the difficulty of recruitment in many places, we developed the 'Lincoln Offer', a consistent, positive framework narrating the

# 2023 Summary

## Progress in the Year

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quality of the offer to clergy who come to work here, articulating the benefits already in place and adding some new benefits.

As TTCT is rolled out, over the past year considerable attention has been paid to some of the key features that will help us reach our desired future state. Micki Carey-Slater has been recruited as our Diocesan Children's, Youth and Families Enabler which is leading to the appointment of Deanery Partnership enablers. The Diocesan Board for Education has used the principles of TTCT to understand and consolidate the collaborative relations between LMPs and schools. Marion Hewis and Clare Lindsay have been appointed as joint Wardens of Lay Ministry. Richard Crossland has moved from parish ministry to a nearly full-time role as TTCT Implementation Lead using national funding. Several Deanery Partnership administrators, paid for centrally, have been appointed to relieve the administrative burden on local clergy.



The appointment of the Warden of the College of St Hugh has enabled both the continued provision of high-quality formation for our ministerial candidates as well as the opportunity to assess the quality and sustainability of the Lincoln School of Theology into the future. After consideration and consultation, it was decided that a partnership arrangement with St Hild, Sheffield, who provide training for a number of northern dioceses would be a better way forward than maintaining our own, separate theological institution. Through careful negotiations and much hard work the new partnership creating St Hild Lincoln started operating in September.

### Edward King House

After the sale of Edward King House fell through as a result of the turmoil in markets in autumn 2022, our offices have been consolidated in the one building. The Board of Education, the Bishops' Office, the Archdeacons' offices and the Board of Finance are all now housed in Edward King House with significant benefits for collaborative work and support. The offices on Newport have been sold and part of the proceeds of the sale is being used to refurbish and update facilities in the building and to improve its environmental performance. The Assistant Diocesan Secretary was seconded for the most part to managing the updating of our IT, to migrating our files and systems onto the Cloud and to redesigning our website, all with pleasing results in efficiency and quality of service.



# 2023 Summary

## Progress in the Year

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### National Funding

We continued to benefit from matched funding from the national church. Resourcing the Urban Church, benefitting from the national SDF programme, continues to grow the church with church plants and revitalisations in Grantham, Spalding, Grimsby and Lincoln. Further plants and revitalisations have been identified for coming years across the diocese and staff for those are well through their training.

The national church has changed their approach to funding, offering a more general and integrated approach than the individualised project approach under SDF. An application for funding for some of the work described above was successful in June and we have been in negotiation with Westminster as part of the development of the follow-on plan from our present strategy post-2026. In the background of that conversation is a national discussion about the inequality of historical financial assets and investments between dioceses. Given the perception and reality of the size of Lincoln's assets, this can be seen as a threat to our financial plans. However, this year has not seen any clarity about how this will be dealt with.

We have benefited from national funding for consultants working on the plan to reach Carbon Net Zero by 2030. We applied for follow up funding to employ two staff for two years who will take the consultants' environmental action plan which was agreed by Diocesan Synod in November and work with parishes, churches, schools and departments to



develop the detail of how we achieve the net zero goal.

In all of the above we are immensely grateful for the generosity of the Archbishops' Council and the Church Commissioners.

### Safeguarding 2023

2023 saw a continuation of the workstreams and vision set in motion during 2022. The Diocese of Lincoln Safeguarding Strategy 2023 – 2026 was approved in order to operationalise this strategic vision with a Delivery Plan sitting under it to ensure adherence and progress against our strategic goals.

This Strategy makes reference to, and was informed by, the National Safeguarding Standards. These standards are significant and will underpin the National Safeguarding Team's work going forward. The national independent audits, being carried out by INEQE in the Diocese of Lincoln in November 2024 will be based upon these standards. The Parish Safeguarding Handbook and therefore the Parish Dash-

# 2023 Summary

## Progress in the Year

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boards are due to be renewed. The new versions will be based upon these standards. The Diocesan Safeguarding Team has engaged with the initial consultation and delivery of these standards to ensure they are established in the Diocese of Lincoln and run throughout our work.

Our early involvement with these standards came through our membership as a diocese and cathedral with the IICSA 1 and 8 Pathfinder Project. This project is well underway, and its benefits are being seen. The second round of review consultation is due to start in order to measure these benefits. The key benefit for the Diocese of Lincoln has been central, professional supervision for the Diocesan Safeguarding Adviser (DSA) and early involvement with new national initiatives and projects. One such piece of work was in the consultation phase for IICSA recommendation 1 to change the DSA role to the Diocesan Safeguarding Officer (DSO) role, contributing to the implementation of this recommendation which provides greater independence, support and consistency

for the DSO in each diocese. The Pathfinder Project work is significant but cannot be mentioned without reference to the Future of Church Safeguarding Programme (being led by Prof Alexis Jay, also of the IICSA Report). We have received some assurance that the work of the Pathfinder Project will not be overturned, and that diocesan safeguarding will look largely the same. A report is anticipated in January 2024.

There have been further national projects and initiatives that have been rolled out and implemented by the Diocese of Lincoln including:

- Updated Leadership (C2) training pathway implemented successfully.
- Launch of the Safeguarding Hubs
- Launch of the new National Safeguarding Casework Management System

The above have been resource-heavy projects, the benefits of which are vital for continued improvements in safeguarding practice in the Diocese of Lincoln.

The provision of safeguarding training in the Diocese of Lincoln continued uninterrupted as the team collectively covered the maternity leave of the Training Coordinator with significant assistance from the Administration Team. The Training Coordinator returned in November.



# 2023 Summary

## Progress in the Year

Training numbers for 2023 were encouraging. The 'new' pathways have been established well. However, as a whole, the Diocese requires improvement in terms of engagement with Safer Recruitment and People Management (SRPM) training. The end of 2023 saw each Deanery Partnership being invited to a Parish Safeguarding Networking Event. These events, amongst other things, focussed on SRPM training and delivery. Those parishes attending were invited to use the new Safeguarding Hubs to assist them in their SRPM. The same invitation has also been made to Dashboard users who are at Level 3 (over 70% completion).

Casework remains consistent with the pattern we have seen developing in previous years, particularly with the end of Operation Redstone and Past Cases Review 2 (PCR2). Non-recent case numbers continued to decline. Allegations against church officers, particularly clergy, also continued to be considerably lower throughout 2023. It is our assumption that this is due to the aforementioned Redstone and PCR2 as well as to improved practice and adherence to House of Bishops' Guidance which seeks to prevent harm and make the culture safer.

Victim and survivor engagement continues, with steady case numbers. Although 2022 saw the last Op Redstone case through to sentencing, support for victims of non-recent abuse continued in 2023 through various means available to us. The skilled work of the diocesan Safeguarding Advocate continues to be invaluable, particularly to survivors of abuse.



### Governance and Leadership

In terms of governance, we have been continuing to work on a greater inclusiveness and diversity in our appointments and committees, boards and leadership. The year started with a major Racial Justice Sunday service in the cathedral. We have recruited a volunteer Diocesan Disability Adviser. Unconscious bias training is a requisite of all those who sit on selection panels for clergy or staff.

A significant cultural change in our committees and boards is the understanding of the importance of managing risk and our risk register. This is now a well understood feature of all our work and is helping to drive our policy and strategy. Work has been done on revising the terms of reference of a number of committees, and, with the arrival of Bishop Stephen and the need for even greater emphasis on financial management, the best use of assets and the best connection between financial and mission strategy, it has been agreed to set up a Finance Committee as a committee of the Bishop's Council of Diocesan Trustees. This will start to meet in early 2024.



# 2023 Summary

## Provision of resources

In 2023, the LDTBF continued to provide the resources for the above diocesan activities supported by significant financial, governance and HR expertise. In addition:



### Church Buildings and Pastoral

During 2023 the Diocesan Advisory Committee for the Care of Churches (DAC) continued to help parishes in the care, repair and maintenance of their church buildings. Members of the DAC, its advisers and officers of the Church Buildings Team continued to make site visits and parishes were grateful for their time, knowledge and support.

The Historic Churches Support Officer (part funded by Historic England) and the Church Development Officer continued to provide Surgery meetings – via Zoom – for church representatives to obtain advice about faculty procedures, support in filling out grant applications and other church building-related matters. With the help and assistance of officers, Marshall's Charity continued to grant aid work on church buildings in the diocese and those who were in receipt of a grant were very grateful for the Charity's support, particularly during this time when other grant opportunities have become much more difficult to access.

The Church Buildings Team has been glad to be an integral part of the work involved in A Time to Change Together and has been actively engaging with partners such as Historic England, the County Council and Heritage Lincolnshire in seeking ways of making the church buildings of the Diocese more sustainable. The Church Buildings Team Bulletin which has been sent to all clergy and churchwardens goes from strength to strength and offers information on grant body deadlines, training and good practice. Where churches have been looking at the possibility of closure the Team has been working with the Church Buildings Council in Westminster for the preparation of their statutory Church Buildings Reports and has worked with the Archdeacon of Lincoln on the formation of a diocesan trust to support Type 4 and 5 churches.

The Secretary and Assistant Secretary support the work of the Diocesan Mission and Pastoral Committee (one of the functions of the Bishop's Council of Diocesan Trustees) and its three Archidiaconal Mission and Pastoral Committees. During 2022 this has particularly been focused on the formation of local mission and deanery partnerships and how these relate to the wider Time to Change Together programme. The DMPC and AMPCs look forward to seeing the finalised versions of proposals for note during early 2024.

### Property Assets & Trusts

Property Assets & Trusts continued with the provision and maintenance of clergy housing with a reduced budget to assist with the financial situation against the backdrop of unprecedented construction inflation, contractor and materials shortages. The focus was on essential repairs and maintenance. A restructured capital programme focussing on energy



# 2023 Summary

## Provision of resources

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upgrades was progressed, commencing with cavity wall insulation and solar panels with battery back-up, with 10 houses upgraded and a further twenty identified so far for 2024.

Following the re-organisation of the Diocese through Time To Change Together (TTCT), the sale of houses continued with the aim of reducing the estate to around 125 houses to reflect the clergy staffing complement. A further sixteen houses have yet to be identified for sale in addition to those already short-listed for possible sale. Decisions remain to be made as to which houses are to be retained in some situations where there is more than one house available for the relevant clergy. Twenty houses were sold in 2023 in difficult market conditions, raising around £7.9M. A further twenty-five houses are identified for sale in 2024, which are anticipated to raise in the region of £9M.

Property Assets and Trusts also managed the 11,000-acre glebe estate through retained agents Savills, raising £2.4M in glebe sales in 2023 from the sale of a development site on the outskirts of Grantham. Glebe sales for 2024 are very modest with the Diocese having generally run out of land that is prudent to sell in the short-term, apart from unanticipated windfalls.

Sales proceeds in excess of that which is required to cover the ongoing deficit are reinvested into financial investments, the interest from which is put towards the Diocese running costs.

In addition, Assets & Trusts continued to administer on behalf of parishes over £20m worth of local trusts with assistance being given to parishes in drawing down funds as required. They also acted as custodian of legal documents such as title deeds and managed the relationship with solicitors in property transactions.



### Volunteers

The LDTBF is hugely dependent on the many people involved in church activities both locally and at Diocesan level. The number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church particularly at times of crisis more so now than at any other time.

The LDTBF greatly values the considerable time given by all the committee members across the Diocese in pursuit of the mission, faithful worship, confident discipleship and joyful service. Grateful thanks are given to you all.

### FINANCIAL INFORMATION

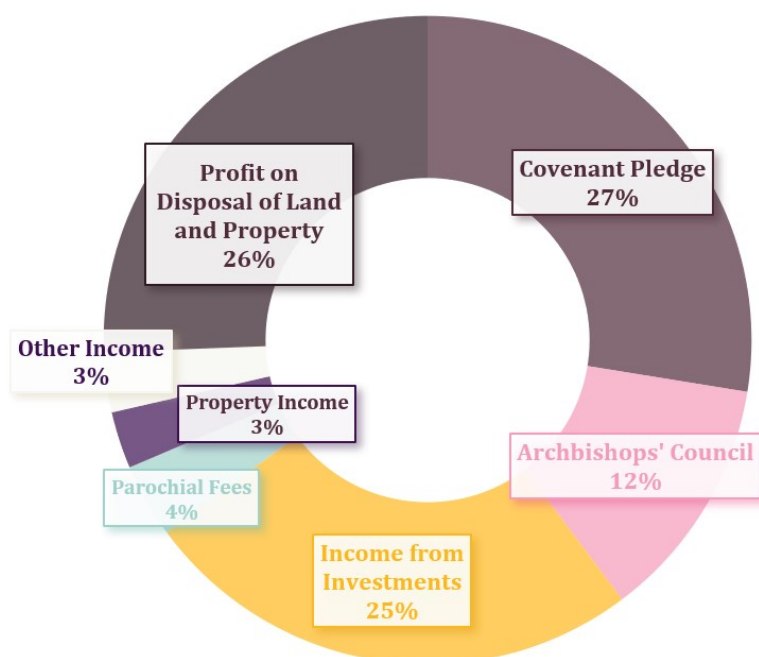
The following pages show an overview of the LDTBF Ltd finances for 2023. Further detailed information is available the full set of financial statements available on our website [www.lincoln.anglican.org](http://www.lincoln.anglican.org).

# Income and Expenditure

For the year ended 2023

	Unrestricted funds General	Designated	Restricted Funds	Endowment Funds	Total funds 2023	Total funds 2022
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from</b>						
Donations						
Parish contributions	3,723	-	-	-	3,723	3,651
Archbishop's Council	1,167	-	481	-	1,648	1,916
Other donations	185	-	-	46	231	703
Charitable activities	496	-	110	-	606	575
Other trading activities	62	-	384	-	446	449
Investments	88	-	704	2,608	3,400	2,316
Other income	-	-	1,819	1,640	3,459	1,322
Total income	5,721	-	3,498	4,294	13,513	10,932
	-					
<b>Expenditure on</b>						
Raising funds	-	-	8	308	316	247
Charitable activities	8,251	-	1,058	-	9,309	10,547
Total expenditure	8,251	-	1,066	308	9,625	10,794
<b>Net income/(expenditure) before investment gains/(losses)</b>	(2,530)	-	2,432	3,986	3,888	138
Loss on disposal of fixed assets	-	-	-	-	-	(148)
Net gains/(losses) on investments	5	-	366	2,219	2,590	(3,971)
<b>Net income/(expenditure)</b>	(2,525)	-	2,798	6,205	6,478	(3,981)
<b>Transfers between funds</b>	2665	(135)	-	(2,530)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on pension scheme	-	-	-	-	-	97
Gains/(losses) on revaluation of properties	-	-	305	3,630	3,935	6,985
<b>Net movement in funds</b>	140	(135)	3,103	7,305	10,413	3,101
<b>Total funds brought forward</b>	1,188	943	23,463	147,022	172,616	169,515
<b>Total funds carried forward</b>	1,328	808	26,566	154,327	183,029	172,616

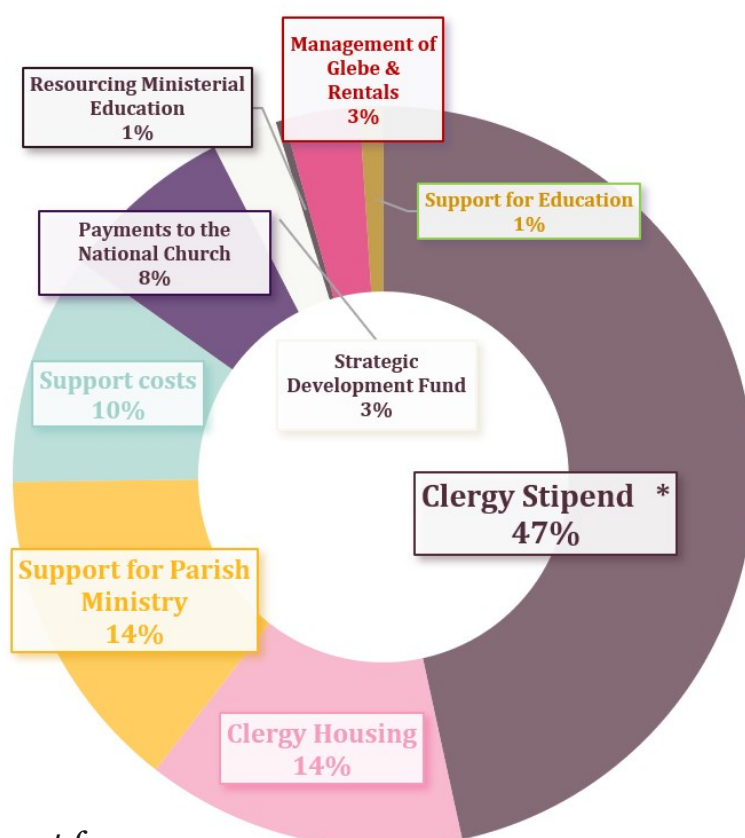
## Income



Covenant Pledge	3,723
Archbishops' Council	1,648
Income from Investments	3,400
Parochial Fees	496
Property Income	384
Other Income	403
Profit on Disposal of Land and Property	3,459
<b>Total</b>	<b><u>13,513</u></b>

## Expenditure

Clergy Stipend *	4,484
Clergy Housing	1,342
Support for Parish Ministry	1,372
Support costs	968
Payments to the National Church	733
Strategic Development Fund	275
Resourcing Ministerial Education	35
Management of Glebe & Rentals	316
Support for Education	100
<b>Total</b>	<b><u>9,625</u></b>



*\*Includes adjustment for pensions*



# Operating financial performance

The difference between the Diocese's annual running costs (mainly the cost of paying and housing stipendiary clergy and curates, training and supportive administration) and its annual income (mainly covenant pledges and investment income) resulted in a deficit for 2023 on the general fund. However, with transfers between funds and the reduction in the pension liability this resulted in positive net income.

The surplus for 2023 (before net gains on investments and other recognised gains/losses) was £3.9m (2023: £138k). This is as a result of the profit on disposal of surplus properties and increased returns on our investments. The operating deficit for 2023 on the general fund was £2.5m (2022: £2.9m). The general fund continues to be funded with the total return transfer from the permanent endowment.

## Covenant pledges

2023 was the first year in which the vast majority of parishes (91%) had made a Covenant Pledge. Like 2022, this year has continued to be challenging for parishes, as they continue to be impacted by the longer-term challenges of the pandemic and also the cost-of-living crisis. The parishes' contribution to the cost of stipendiary ministry increased again in 2023, as together we continue to make progress in reducing the annual deficit with the aim of balancing the books by 2025 whilst also providing ministry across the Diocese. This increase, of £73,000 (+2%), is despite a change in process recommended by our auditors, requiring all payments of covenant pledge to be made during the financial year (whereas previously payments could be made in early January and allocated to the prior year), which will have had some impact upon the amount of 2023 Covenant Pledge paid. Fo-

cus on this area will need to continue over the next two years in order to meet the shortfall of £577,000 by the end of 2025 to fully fund 100 stipendiary posts.

The Trustees are extremely grateful to all the parishes which completed their Covenant Pledge payments during the year, despite the difficult circumstances that we were faced with during 2023 particularly around the continued cost of living crisis including the high cost of inflation. We are especially grateful to those parishes that paid more than they originally pledged. Thank you also to those parishes who made their covenant pledges by monthly instalments. This greatly assisted us with our cash flow. The Trustees are concerned that more parishes have not joined the Parish Giving Scheme (PGS) and continue to encourage parishes to do so, due to its many benefits for parishes. We currently have just over 150 parishes who have signed up to PGS, representing approximately a third of parishes in the Diocese, which leaves over 300 parishes yet to join.



# Balance Sheet

The Trustees consider that the Balance Sheet together with details in note 21 show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the Balance Sheet date totalled £183m. (2022: £173m.) It must be remembered that included in this total are properties, mostly in use for ministry, whose value amounted to £58.6m. (2022: £63.3m). These are held within fixed assets with the remaining balance relating to other properties which the LDTBF own for example Edward King House. Much of the remainder of the assets shown in the Balance Sheet are held in restricted funds and cannot necessarily be used for the general purposes of the LDTBF.

	2023	2022
	£'000	£'000
<b>FIXED ASSETS</b>		
Tangible assets	58,652	63,282
Investments	110,394	105,584
	<u>169,046</u>	<u>168,866</u>
<b>CURRENT ASSETS</b>		
Debtors	607	949
Cash on deposit	10,253	2,031
Cash at bank and in hand	3,817	1,872
	<u>14,677</u>	<u>4,852</u>
<b>CREDITORS: amounts falling due within one year</b>	<u>(622)</u>	<u>(1,030)</u>
<b>NET CURRENT ASSETS</b>	14,055	3,822
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>183,101</u>	<u>172,688</u>
CREDITORS: amounts falling due after more than one year	-	-
Pension scheme liabilities	-	-
Other creditors	(72)	(72)
<b>NET ASSETS FUNDS</b>	<u>183,029</u>	<u>172,616</u>
<b>Endowment funds</b>	154,327	147,022
<b>Restricted income funds</b>	26,566	23,463
<b>Unrestricted income funds:</b>		
General funds	1,328	1,188
Designated funds	808	943
<b>TOTAL FUNDS</b>	<u>183,029</u>	<u>172,616</u>
A detailed breakdown of the financial accounts are available at <a href="http://www.lincoln.anglican.org">www.lincoln.anglican.org</a>		

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