Budget Proposal 2026

DATE: October 2025

Portsmouth Diocesan Board of Finance

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Introduction from Bishop Jonathan

It is a pleasure to commend our Budget 2026 to the diocese.

It is the fruit of the hard work and sheer competence of Elaine Coe and her team. It is presented by the Bishop's Staff Team and more significantly by the trustee body which oversees our life and work, Bishop's Council sitting as the Portsmouth Diocesan Board of Finance.

Diocesan Synod members will note, in Philip Poulter's helpful section below, that external factors have played a significant part in arriving at the deficit budget we have brought before you. Noone in their right mind could be content with setting such a budget in anything other than the short to medium term. However, I want to assure you that I plan to keep my nerve and to remain determined to keep vision, strategy, its implementation and finances together. It is vital that we are always led by vision and strategy rather than by finance (or the lack of it).

Together, as a diocesan community of communities, we have made so much progress in recent years: believing in the parochial system, we are now approaching full capacity in terms of clergy numbers; we have a shared sense of common purpose and direction through our rejuvenate strategy; we have refocussed and streamlined the diocesan organisation and paid off a £2m loan; we are seeing our deaneries digging deep financially; we have been proactive in obtaining £5.2m of investment to build up the life and ministry of our diocese; in each of these ways and in countless others, we are seeing the fruit of the life of the Holy Spirit in our midst. I am determined not to divert from the shared direction of travel we have discerned together.

So how can I propose and justify to Diocesan Synod members, and to our auditors, a significant deficit budget?

First of all, and this is justified by the data, we are seeing parish share heading gradually towards to its pre-COVID levels of collection. Five of our deaneries are now solidly and repeatedly giving over 90% of ask. The two deaneries not yet at this level are giving generously, faithfully and sacrificially. Even though it may take longer than any of us would wish, I am confident that all of the deaneries in the medium term will, by God's grace, find themselves giving close to 100% of ask (or near to it!). I believe, no we believe, in the Kingdom seeking mission Christ himself sets before us.

Secondly, I can report to Diocesan Synod members that on a number of fronts we are rapidly catching up with vital work that was not undertaken in previous years. I think, for example, of the maintenance of our parsonages, so vital to the wellbeing of clergy and their households. In recent years we have taken the conscious decision to reinvest in our property assets for this and for future generations. Again, we believe in an enabling parochial ministry.

And thirdly, I can commend this budget because I have confidence in the multi-stranded financial strategy we have been implementing in recent years. To remind Synod members: in all things we aspire to be as well-organised as any charity in England (focused in vision and strategy, sound in governance, gripped in finance and agile in responding to our context); we continue to commend the Parish Giving Scheme as a vehicle which builds capacity for parish and deanery Finance Officers and Treasurers; we have introduced, after a root and branch review, a credible Parish Share Scheme now in its early stages of monitoring and implementation; and we are commending all parishes, fresh expressions and church plants to participate in the Church of England's Generosity Week (late September-early October each year). There is no one strand which will lead us to financial sustainability as a Diocese. However, taken together and underpinned by prayer and a sense of God's goodness to us in Christ Jesus, I am confident we will arrive at this goal.

Once again, may I put on record my thanks and appreciation for Elaine Coe and colleagues on Bishop's Staff Team and Bishop's Council. Together we commend Budget 2026 (and the outline forward projections for 2027 and 2028) for your prayerful consideration.

Introduction from Diocesan Secretary

Budget setting for 2026 has been far more challenging than we would have expected this time last year, due to decisions outside of our control which have substantially impacted the figures that you will now see.
Firstly, there is a significant impact from the increase in National Insurance contributions, the impact has been felt disproportionately by SME employers (which includes us!).

Secondly there was the decision by General Synod to increase the National Stipend Benchmark by 10%. We fully support this, which translates into an 8.8% increase for our clergy (we have traditionally paid slightly above the Benchmark). This increase is not financially supported by the Central church; it has been left up to Dioceses to pick up the significant additional costs and or clergy posts implications. We are in the former category and are therefore including an increase in these costs in this budget.

And then there has been a very disappointing final result of the Diocesan Finance review for the next Triennium, which fell well short of our expectations (these had been based on previous communications regarding this). Many of our fellow Dioceses are similarly struggling to adjust their operations accordingly.
One aspect that is within our control is the continuing high expenditure on Clergy Housing, where I had anticipated starting to see cost reductions in 2026, however as housing maintenance is based on quinquennial inspections, the impact of lack of maintenance during and after Covid still has to work through for that 5-year period. We have however been through the 2026 budget for this with a toothcomb and kept it to a minimum, whilst ensuring the continued welfare of our clergy.

Where we have been able to, we have looked to make further savings, either through economies of scale, through our various co-operations with our neighbouring Dioceses, or through, sometimes painful, operational adjustments. We have, for instance, had to decide not to replace a retiring member of staff, but to spread their workload among colleagues.

Despite, or in view of, all this, I would recommend this mission driven budget for 2026 to you.

National Picture

The last 9 months have brought significant economic uncertainty both nationally and globally with ongoing conflict and political decisions continuing to impact. We have faced the increase in national insurance contributions from April 2025, ongoing inflationary pressures where inflation is continuing above the targeted 2% and interest rates have seen reductions in recent months, although at a slower pace than expected due to the ongoing higher levels of inflation. Alongside this, the announcements around the US tariffs have seen damaging impact to investment portfolios which will be impacting our parishes and our diocese alike; although recovery has been seen over the course of the year, market volatility remains a risk.

Although interest rates remain high above long term historic levels, we have now seen a reduction from 4.75% at the start of the year, to 4.0% at the latest review on 18th September. There is uncertainty as to any future changes and what impact this may have on the 2026 budget.

Current inflation stands at 4.1% (CPIH) however, this is expected to begin to fall back towards the target 2% by the end of the year. The budget is therefore set based on the assumption that inflation continues to run at around 2-3% and interest rates fall c1% over the next year.

General Fund Budget for 2026

The budget presented for consideration reflects the income and expenditure expected through the unrestricted (or general) funds of Portsmouth Diocesan Board of Finance (PDBF). Where additional funding is received which is held in an alternative restricted fund, this has been noted. We also present a forecast of best expectations for 2027-28 based on similar assumptions and indicative figures provided by the national church for any elements of costs and income under the triennium plans for 2026-2028.

The paper also comments on the designated and restricted funds held by our diocese and how they are currently being utilised to support the work of our diocese and could be in future.

We now have some clearer information about the future of funding from the national church, and these changes have been reflected in the budget.

Overall, the diocese has not been particularly well served by the changes, and this has not brought a substantial turn around in finances. A large proportion of additional funding and reduction in costs is being offset by the increase in the national minimum and national benchmark stipends, and the subsequent changes to the starting point for clergy pensions. We estimate an improvement of £491k from the changes, with transitional funding equating to £417k of this, which will taper off over time. With the impact of the increased stipends, national insurance levels and inflation, we don't therefore expect to see any significant financial improvement in the medium term from the new measures.

We continue to engage with the national team and understand more fully the consequences of the triennium spending plans and there has also been a reduction to some other grant funding streams as a result of the additional investment into funding to dioceses. This includes the amount expected to be available to apply for through the Diocesan Investment Programme (DIP) which we expected to apply for in late 2026 for our next strategic projects.

General synod has called for a review of the national church finances and how this is disseminated to dioceses, however it is unlikely that any review would impact in this triennium and therefore we wouldn't' anticipate any changes before 2029. In the meantime, we must continue to review costs, other sources of income, and our ability to maximise the other funds we hold to resource the ministry and mission of our diocese.

Our modelling for 2026 assumes that we adopt the new national benchmark stipend for incumbents' stipends. Whilst dioceses have discretion as to whether to adopt these, this is being widely encouraged and therefore alternatives have not been modelled.

We are now well into our first year of the new parish share formula and have engaged with many parishes to discuss their plans for the coming year, and any challenges. This has led to us reducing the 2025 request for some parishes where the original figure requested was mutually felt unachievable. As part of these discussions, we are not only reviewing parish finances but ensuring we understand mission plans and what the parishes hope to achieve as a result of the reduced share payment, to enable growth in the longer term. We are also reviewing Experian figures in some of the wealthier parishes where the factor is considered to be inflated by just one or two wealthy individuals living within the parish boundaries, placing additional burden on the allocation for that parish.

Progress of the parish share collection has been mixed with early months suggesting an improvement however this has levelled off in recent months and so we continue to keep this under close review to ensure we are making appropriate assumptions for the 2026 budget. We are aware that a number of our parishes continue to face financial challenges which they expect to impact on their ability to pay parish share in full. The opportunity to increase parish share collections rates to the level required to support the diocesan budget remains of concern.

The budget for 2026 also reflects the first full year of the new national insurance rates impacting both clergy and lay staff, the changes having been introduced from April 2026. This has resulted in an increase to budget of c£100k pa and also has the potential to lead to overspends on grant funded projects where an increase such as this could not have been anticipated when the funding budget was set.

We continue to receive restricted funding for various strategic projects and where we have existing matched funding commitments under funding bids such as Strategic Development Funding (SDF), Strategic Mission and Ministry Funding (SMMI) or others, these elements are reflected in the general fund budget.

The detailed budget scenario for 2026 is presented in appendix 1 alongside the projected forecasts for 2027-28, with the details of the assumptions made for each budget line included below. The original highlights reflect where we expect to be based on the targeted parish share, with the alternative scenarios modelled to reflect the impact of a different parish share collection.

It is clear from the projections that we will still see significant financial challenges for the next triennium, and it will be imperative that we engage fully with any consultation around future funding plans.

We anticipate having sufficient reserves available and accessible to meet the shortfall for the next triennium, however, we would see significant challenge beyond this if there are no substantive changes.

Income

1. Parish Share

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
4,876	5,379	4,734	4,511	3%

The current year is the first year with the new parish share calculations and there has been strong engagement and conversations with our parishes which have helped to understand challenges faced by them. To date, we have not seen the anticipated improvement in parish share calculation levels and this remains a concern. We continue to encourage discussion where parishes feel their allocation is unaffordable and the agreed new method of allocation should help to reduce the instances of these over time.

The budget for 2026 proposes an increase to overall parish share budget of 3%; this is considered an appropriate inflationary measure to apply and has been separated from the levels of uplift being applied to stipends as this is not considered achievable for our parishes, especially given the current and historic collection levels. For individual parishes we expect to apply the transitional arrangements and therefore a cap of 5% will be applied to any individual increases when compared to the request for 2025.

Whilst some may be reluctant to apply an increase when we continue to see collection rates between 84-87% on average, there are reasons to anticipate an increase is possible:

- The parish share review has resulted in greater transparency of diocesan finances and whilst there is still work to be done, the increased engagement is building trust within parishes. The result of the national review of parish share concluded that the method of allocation was much less likely to have an impact on collection rates than the communication and relationships between a diocese and it's parishes
- Generosity week is planned for the end of September and preparations for this have been underway for some months. As this becomes embedded as an annual event, we anticipate increased giving into parishes and subsequently, greater availability of resources to support the payment of parish share.
- New investment as a result of funding such as Flourish and the new SMMI funding for Rejuvenate should also contribute to growth in communities. These projects have been building throughout 2025 and we would anticipate seeing greater impact into 2026 and 2027.
- Financial training is being provided including investments training, which will enable PCCs to have greater confidence that they are using their resources appropriately to generate the best possible income and returns.
- Cornerstone has been introduced and will be further rolled out during 2026, enabling parishes to access grant information easily, and ensure that opportunities to use their resources to benefit the parish are identified. This is anticipated to have an impact on the finances and therefore free up resources for payment of parish share.

We also plan to commence the project to review of all custodian funds and diocesan trusts in late 2025. This will provide greater clarity on funds that may be available to support with projects, or where current restrictions may no longer be relevant. We anticipate that this will release funds which may help to alleviate financial challenges and create opportunities at both parish and diocesan level. This will not be an immediate process however we would hope to see improvements during 2026, and greater understanding of the reserves held.

The budgeted figure above assumes an 88% collection rate, which is driven by the current expectations of amounts that will be allocated under the transitional arrangements. For 2026 we see a greater number of parishes moving to their new calculations, with increases and reductions being capped at 5% for others. The anticipated results of collecting an increased amount are also shown (for example where a parish may feel able to contribute more than their requested amount if asked for less than they have paid this year, or less then their calculated amount due to the 5% cap).

Details of historic parish share collection rates are included in appendix 2 whilst the 2025 forecast is noted above. This remains cautious as we seek to confirm any additional payments that can be expected towards the end of the year.

The figures for 2027 and 2028 assume a 3% increase in the parish share budget each year. As we continue to apply the transition arrangements, we would anticipate moving towards a 92% collection rate in 2027, and 95% in 2028 as a greater number of parishes move to the new calculation.

2. Fees

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
271	258	250	325	8%

Fee income is expected to increase slightly as inflationary increases are usually applied to the schedule of rates provided nationally. We would also anticipate an increase in the provision of occasional offices as we continue to fill clergy vacancies. We anticipated 2025 being the last year of catch up of older fees from previous years as we now have a much clearer process in place to indicate where payment of fees may be owing.

A 3% inflationary increase has been applied for 2027 and 2028.

3. Rental Income

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
433	600	483	666	-10%

We have seen a reduction in rental income over the last year as we see greater numbers of properties being used to house clergy as we make appointments. In addition to this, more properties are being held vacant for future appointments due to the proposed changes to rental legislation which will make it increasingly more difficult to regain access to properties that have been rented out when we need them. We have seen particular evidence of this during 2024 and 2025 where we have incurred rental costs of sourcing alternative housing for clergy where tenants have refused to leave, and legal fees and court proceedings to remove tenants with rental arrears.

Unfortunately, vacant properties do carry increased costs in relation to council tax and insurance. Options are being explored which may enable some of these costs to be mitigated in the short term.

We are aware that some properties are potentially rented below the current market value, and this will be reviewed as property rentals become due for renewal.

For 2027 and 2028, a 3.5% increase is assumed; we may see additional properties available for let we have greater clarity of properties that may be required for appointments.

4. Grants:

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
1,578	892	890	817	77%

The increase in grant income is largely a result of the triennium spending plans which is increasing the levels of support for dioceses in receipt of Low-Income Communities (LINC) funding and includes some transitional funding for a period of 9 years to help alleviate some of the current hardship being experienced.

The grants budget is made up of the following elements:

- LINC £864,188 (increased from £618,178 for 2025) – a 30% increase in the overall grant pot and an update to the data for the underlying calculations has led to a 39.7% increase in this grant. There will be an additional reporting element required to demonstrate how LINC funding will be used. This will feature as an appendix in the final budget report.
- Transitional funding £416,543 – this is time limited funding committed for 9 years, but tapering each year with a formula-based allocation. We understand that there will be a further element available to be applied for through the Diocesan Investment Programme (DIP) however do not yet have the details for the timing and quantum for this, or how eligibility may be decided.
- Benefact Trust grant £57,344 (reduced from £70,795) – this grant is reducing each year and will be used to support the costs of specific projects. For example, in recent years this has been used to support the costs of building support roles, Anna Chaplaincy and youth work such as Choir Church, offsetting costs where no further funding is available.
- Grant from Portsmouth Diocesan Council for Social Responsibility (CSR) £235,822 (increased from £202,769) – this is to cover the costs of the CSR staff team who are employed by PDBF. The increase reflects new projects such as the counselling service being operated by CSR. This is offsetting costs recorded under Mission and Social Transformation.

For 2027 and 2028, the forecast is based on the projected figures provided by the national church for LINC and transitional funding, and an assumption that the grant from CSR moves in line with salary expectations.

5. Fund Transfers

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
195	189	170	135	14%

The fund transfer represents the amount to be charged to the restricted education fund to cover the PDBF share of the Portsmouth and Winchester Diocesan Board of Education (DBE) (which is jointly funded with Winchester DBF). The separate charity only began operating in July 2024 and therefore the 2024 actual figures do not represent fully, the costs of operating a separate entity.

The increase compared to 2025 budget largely relates to inflation increases on the costs. More details are included at section 14.

The figures for 207 and 2028 assume an inflationary increase in costs.

6. Investment Income

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
430	447	446	508	-4%

The reduction in investment income reflects the assumptions that we will hold lower cash balances due to the ongoing deficit position throughout 2025 and as we move into 2026, and also further reductions in interest rates are expected. Investment income returns are expected to remain steady and so those funds for which the investment income is paid into the general fund should remain consistent with 2025 levels.
The cashflow forecast assumes that the LINC grant will be paid in January 2026 in full (consistent with previous years) and assumes the same for the transitional funding. This will be placed on deposit and drawn down monthly so there will be a boost to investment income levels from this.

The budget assumes interest rates fall by 1% during 2026.

There is currently an option agreement in place for land at Wickham Glebe with planning permission being sought. It is anticipated that this would generate c£2m proceeds for the diocese in early 2026. This money would have to be invested in the stipends capital fund (permanent endowment) however the investment income generated on the funds can be paid to the general fund to support stipend costs. It is anticipated that could produce an additional c£40k investment income for 2026; an amount that isn't currently included in the budget.

For 2027 and 2028 it is assumed that interest rates and general fund deposit balances fall, however we have included a full year's potential income as a result of the above transaction.

7. Other Income

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
144	130	164	174	-12%

Other income includes the recharge of a share of the registrar's costs, income for advertising space in the diocesan magazine, income from generation of electricity from solar panels on DBF properties and other incidental income items.

The reduction compared to 2024 reflects that for the first 6 months of the year, income towards school building officer costs were included in PDBF until the DBE started to operate. These is now collected directly by the DBE.

The 2026 budget is largely consistent with the current level of activity in 2025 allowing for inflationary increases and the uplift in the charges for the registrar.

An inflationary increase is anticipated for 2027 and 2028.

Expenditure

NB where staff headcount is stated, this is the amount charged to the general fund. The section 'Lay Staff Salaries' will include details of other staff posts covered by grants/other funding.

8. Clergy remuneration

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
4,091	3,983	3,588	3,241	14%

The increase in clergy remuneration is driven by various factors including continued increase in headcount, and the changes presented to General Synod in July. The budget assumes the following with regards to remuneration levels:

- Curate stipends are paid at the new National Minimum Stipend (NMS)
- Incumbent stipends are paid at the new National Benchmark Stipend (NBS)
- Archdeacon stipends are paid at the new recommended stipend
- Pension contributions remain at 22% but the one year lag in NMS is removed (proposal to improve pension benefits are expected to prevent any further reduction to the pension contribution levels)

The table below shows the comparison of rates and their increase year on year. The proposal is that all dioceses adopt these rates to remove the disparity in rates which exists currently. The rates include a catch up for inflation since 2011 where stipend levels have not kept up. We currently pay slightly above the benchmark for incumbents which reflects the slightly lower increase for these stipends.

	Current wef 01/04/2025	Budget wef 01/04/2026	% change
Curate	30,110	33,350	10.8%
Incumbent	32,130	34,950	8.8%
Archdeacon	43,046	44,810	4.1%

The budget assumes that other allowances such as housing allowance and area dean allowance will increase at 3%.

Current plans for appointments for the remainder of 2025, and across 2026 and 2027 suggest the number of stipendiary posts if fully recruited would be 81. The budget assumes a 10% vacancy rate; due to the planned levels of appointments in the last 2-3 years, no vacancy rate has been budgeted as we have been starting from a lower position. Allowing for the expected vacancy rate, the budget is based on an average of 73 stipendiary incumbent posts during the year

Headcount is expected to be split as follows:

	Budget 2025	Forecast 2025	Budget 2026
Incumbent	76.0	74.5	73.0
Curate	15.0	15.5	14.0
Archdeacon	2.0	2.0	2.5

Funding is received for 1.9 FTE of the curates in the 2025 forecast and for 1.0 FTE of the incumbent posts. The budgeted costs reflect the costs of those funded through the general fund only.

We have matched funding commitments under SDF and SMMI funding for 14 clergy posts.

We have assumed that the Archdeacon for the Isle of Wight is in place throughout the year however it is unlikely that they will be in post from the start of the year.

The following tables show the total directly attributable costs (stipend, pension and NI) for each level of stipend, and the overall impact of the changes made for each FTE:

	Current wef 01/04/2025	Budget wef 01/04/2026	Change in cost	% change
Curate	39,669	44,289	4,620	11.6%
Incumbent	41,907	46,062	4,154	9.9%
Archdeacon	54,002	56,986	2,984	5.5%

In addition to the stipendiary headcount noted above, we currently have 3 house for duty posts and 41 self-supporting ministers.

There continues to be investment in non-stipendiary ministry including Anna Chaplaincy and the Elizabeth Pathway (previously Michaelmas cohort). More information is included under ministry and discipleship.

It is anticipated that we will be able to maintain the current level of stipendiary incumbents however this will remain under review and we would need to see an improvement in parish share to be able to support this. It is expected that the number of stipendiary curates would need to be reduced to 2 each year. We have historically taken on 4 each year (for 2025 5 were taken on however one receiving funding for 90% of their costs); this reduction is reflected in the projections for 2027 and 2028. 2027 will be the first full year of the increased stipend, and increases have been assumed at 2.5% and 2% respectively for 2027 and 2028.

9. <u>Clergy Support</u>

Includes salaries for headcount of 2.7 FTE.

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
418	410	399	390	5%

Clergy support costs include the grants paid to new clergy (first appointment, resettlement and removal costs) as well as administrative support for Area Deans, or to parishes where stipends have been exchanged for support, or the parish is LINC funded and we are therefore providing support through the LINC grant.

The overall increase in the budget compared to the current year forecast and budget reflects that support is being provided for additional posts to LINC funded parishes (further information around the use of LINC funding is included in appendix 3).

The budget assumes that salaries for posts recruited locally by parishes are increased by 3%.

First appointment and resettlement grants are currently set at a minimum 10% of NMS therefore the grants effective from April 2026 will also be impacted by the 10.7% increase in the NMS.

For 2027 and 2028, the forecasts assume an inflationary increase on costs against a reducing number of appointments as we assume a more stable vacancy level.

10. Clergy Housing

Includes salaries for headcount of 2.4 FTE.

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
1,518	1,384	1,741	1,397	-13%

A further breakdown of the clergy housing budget against the 2025 budget and forecast is as follows:

	2026 budget	2025 budget	2025 forecast
Repairs and maintenance	£ 963,444	£ 838,257	£ 1,206,980
Council tax & water	£ 310,139	£ 273,439	£ 297,018
Insurance	£ 18,917	£ 18,147	£ 15,764
Agency fees	£ 29,574	£ 45,485	£ 29,603
Other	£ 195,883	£ 208,319	£ 192,058
	£ 1,517,957	£ 1,383,647	£ 1,741,422

Of the total above, property repairs and maintenance totals £963k. The clergy housing budget reflects the anticipated costs of all 2026 quinquennial (QI) works alongside expected costs from previous years inspections that are not expected to have been completed by the end of 2025.

Included in the budget are works totalling £286k from the 2025 schedule of QI works. These are currently being tendered with contractors and so some of this may be completed by the end of 2025, however it is anticipated that the majority may still fall into 2026.

The budget assumes c£15k of vacancy works to be completed for 10 appointments (£150k for the year), and £12k per month for reactive works (£144k for the year). Whilst the 2025 reactive works are running at a higher level than this, we are anticipating a reduction in the amount of tree works needing to be completed in 2026.

Council tax and water have been inflated at 5%, and insurance by 20% as this was the indicative level provided by insurance at the half year review. Insurers have seen an increase in costs for claims in recent years, and we are also now seeing an increase in charges for properties that are vacant for a long period of time.

Agency costs are expected to reduce compared to the 2025 budget due to the number of properties now being held vacant.

The planned property works have been reviewed in detail to identify any works that could be delayed either because the property is currently let, or because plans for a property are uncertain and it may be surplus to requirements. Maintaining clergy welfare as a priority, there has not been any particular appetite to delay works to clergy properties.

For 2027 we would expect to be seeing a small reduction in property works as the number of clergy appointments slows. We will also have largely caught up on quinquennial works that have previously been delayed due to COVID. Due to the 5 yearly cycle of QI works, we would expect any delays due to COVID to have been caught up by the end of 2027 and therefore project a larger reduction for 2028.

The forecasts for 2027 and 2028 also take into account a lower level of vacancy works as clergy appointments slow and we see a return to a more stable level of vacancies.

11. Safeguarding:

Includes salaries for headcount of 5.8 FTE.

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
419	386	355	318	18%

The increase in the budget for Safeguarding against the current forecast is largely the salary increase and pension costs which we are expecting to begin paying again during 2026. There has also been an increase in staffing during 2025 compared to the budget level with includes EA support to the Head of Safeguarding (a corresponding decrease in the diocesan secretary's office costs) and a deputy role within the team.

Other costs are largely consistent with prior year and subject to an inflationary increase.

The forecasts for 2027 and 2028 reflect an inflationary increase.

12. Ministry and discipleship:

Includes salaries for headcount of 6.65 FTE.

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
588	617	482	408	22%

Part of the reduction compared to the 2025 forecast and budget is in relation to ordinand maintenance grants. For 2026, the diocese will only be responsible for paying these for the remainder of the 2025-26 academic year. From September onwards, ordinand grants will be paid by national church, and we will contribute to this through the ministry training fund instead. This is included below at section 21.

There has also been a reduction in training costs for the Elizabeth pathway (formerly Michaelmas cohort) as the number in training has reduced.

Clergy training costs have remained consistent with the levels budgeted for 2025 as we continue to see an increase in requests for training as a result of the MDR process.

Staff costs make up a large proportion of the department costs and so the proposed lay salary increases offset some of the savings above.

A grant application has been submitted to support with lay ministry training, and this includes an element of the staff salary costs currently budgeted here as a matched funding commitment (c£40k). The outcome of the grant application is unlikely to be known until November, however will not reduce the cost to the general fund.

Included within the costs above are matched funding commitments under the SMIIB grant for operating costs to support Cairns and staff roles connected to children, youth and families.

For 2027 and 2028 we expect to see a reduction in costs as the MDR process is well embedded and the catch up on training slows down. In addition, the training for ministry fund will replace the ordinand maintenance grant payments and although there is expected to be a further cohort for the Elizabeth pathway, this will be centrally funded.

13. Social transformation (including CSR):

Includes salaries for headcount of 6.0 FTE.

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
244	209	211	139	16%

There has been an increase in the level of activity in CSR as new projects are identified, in particular the new Counselling Service. Of the total costs, £236k is covered by income from CSR (and included under grants). The remainder of the costs remain within CSR for work activity around environment, racial justice and urban ministry.

Any changes to CSR projects resulting in staff changes would be offset by grant income above.

2027 and 2028 assume an inflationary increase only.

14. Education:

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
195	189	186	195	4%

The education costs represent the level of the grant paid to the DBE under PDBF's commitment to fund the activities of the DBE. This is paid from the education restricted fund, with costs and corresponding fund transfer included in the general fund budget, to demonstrate the level of support being provided by PDBF.

The DBE supports our Church Schools and the majority of the costs relate to the staff in the team and their expenses incurred in working with the schools. The team work across both Portsmouth and Winchester Dioceses and the costs are shared in proportion to the number of schools in each diocese.

The majority of the increase therefore reflects inflationary increases to salaries and operating expenses.

2027 and 2028 assume an inflationary increase only.

15. Communications:

Includes salaries for headcount of 1.6 FTE.

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
125	115	102	102	22%

Communications costs are largely in line with 2025 allowing for inflationary increases. There is an allowance for some new equipment as it is likely some of the photography and filming equipment will require upgrading in the coming year.

The forecasts for 2027 and 2028 assume an inflationary increase for most costs. Once equipment has been replaced during 2026, a small amount will be set aside each year for future replacements.

16. Parish support:

Includes salaries for headcount of 3.7 FTE.

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
319	296	281	284	14%

Salary costs have reduced compared to the current levels as one role is not due to be replaced following an imminent retirement. Instead the role will be shared between the existing parish support team and the executive assistants in the diocesan secretary's office costs (both roles already budgeted in 2025).

Offsetting this reduction is the increase in choir church costs as the second cohort is due to commence; this a commitment to matched funding for SMMI. We plan to offset these costs as much as possible with investment income from the SMMI funding which is held on deposit until spent. We are also exploring other small grant funding opportunities to support with the costs of choir church activities.

There are also costs for a lay pioneer role which forms part of our SDF3 matched funding commitment, and the buildings offer role which is part of our commitment under SMMI.

The remaining movements year on year are largely inflationary increases to costs.

There is a possibility of accessing Giving Advisor Funding for one role included within the budget for 0.6 FTE. This could result in a reduction of c£35k to the general fund budget. We await confirmation of when this funding may be available to be applied for and therefore it has not been considered appropriate to remove these costs from the budget. The £35k does not represent a new cost in 2026.

The reduction in the forecast for 2027 reflects that the agreement for the Grantfinder database ceases during 2026, and that we expect to see a reduction in fees for covering services during vacancy as we see more stable clergy vacancy levels.

17. Finance:

Includes salaries for headcount of 3.4 FTE, which includes our share of those team members employed by the Winchester Diocese (WDBF).

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
258	232	233	216	10%

The majority of the finance costs relate to the staff costs and so much of the increase is driven by inflationary increases to salaries. The custodian fund was budgeted in 2025 however will only be appointed from October, therefore this post is included in the 2026 budget and accounts for part of the increase compared to forecast.

In addition to these, the cost of the statutory audit is expected to increase significantly as indicated by the audit tender process that has been underway. This is as a result of changes in auditing standards in recent years, as well as inflationary increases (we previously agreed pricing in 2022 for the period 2022-2024).

2027 and 2028 assume an inflationary increase and the cessation of the custodian funds project role.

18. Diocesan office:

Includes salaries for headcount of 2.6 FTE.

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
666	667	591	689	13%

IT costs £159k (2025 budget £139k)

- There has been considerable work undertaken during 2025 to review IT costs and software agreements. The main IT support contract is due for renewal in 2026. The budget currently assumes no overall saving will be achieved however it is anticipated that savings will be achieved.
- The additional amount compared to the current year budget is an amount of £24k set aside for renewal of laptops which may be required as we move to Windows 11.
- Other contracts are assumed to continue with an inflationary increase.

Diocesan secretariat costs £206k (2025 budget £223k)

- *The costs largely relate to the salaries of the diocesan secretary, the executive assistants and their support expenses. There is an allowance for legal fees which includes the quarterly fee for the designated officer.*
- *The majority of the movement in the diocesan secretary costs is due to the reallocation of some EA time to both HR and Safeguarding, offset by the inflationary increase in costs.*

HR £104k (2025 budget £81k)

- *This includes the Employee Assistance programme to support staff with any health and wellbeing needs, an allowance for training for lay staff across all teams, HR support from Kane HR (which covers both clergy and lay matters) and recruitment fees for advertising of any diocesan roles if required.*
- *The increase relates to the allocation of staff time previously under the diocesan secretariat, offset by the £10.5k rebate against national insurance contributions that we are now entitled to, effective from April 2025 (this wasn't reflected in the prior year budget due to the timing of the government announcements relating to this).*

Office services £29k (2025 budget £46k)

- *Included here are consumables costs in relation to Peninsular House such as printing, postage and stationery, phone systems, office cleaning costs and any equipment rental agreements e.g. photocopiers. There is a recharge to Bishopsgrove for part of these costs as well as IT costs which totals c£2k and is included within other income.*
- *The reductions reflect the outright purchase of photocopiers during 2025 which has significantly reduced the monthly maintenance agreement. We continue to keep other agreements under review to ensure they remain best value.*

Building services £165k (2025 budget £178k)

- *These costs relate to the cost of maintaining Peninsular House including insurance, water rates and council tax, and service charges for the office payable to VIVID at £92k. There was a significant increase in the service charge for 2023/24 due to increased utility costs and a similar amount was budgeted for 2024/25, however the final overspend has been smaller and therefore the 2026 budget reflects this continuing.*

- *There is also depreciation on the office building which doesn't incur any cash outflow (£37k per year). We do recharge part of the building to CAFCASS and included in rental income is £84k relating to this. The net cost of the building is therefore budgeted at £81k.*
- *An amount of £20k has been included in the budget to be transferred to the office repair fund (a designated fund) in case of any works being required to the office that are not covered by the service charge. This prevents a large cost being incurred in the general fund at the point that any significant works are required.*

The forecasts for 2027 and 2028 reflect an inflationary increase. Any savings anticipated from the review of the IT provision are not reflected.

19. Governance:

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
12	12	13	13	-3%

Governance costs reflect the expenses of Bishops Council, Diocesan Synod and General Synod including venue and catering costs, and any expenses claimed by those in attendance. There is also an allowance for the Bishops Staff Team, as the executive for the DBF, for any training and expenses incurred by the team in this capacity. Expenses for any other advisory committees would also be reflected here.

The figures for 2027 and 2028 include an inflationary increase.

20. Legal & registrar:

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
143	145	126	113	13%

The charges for the diocesan registrar are as per the legal fee order and outside of our control. A proportion (50%) is reclaimed from Church Commissioners in relation to the Bishop's share of the costs (this is included within other income).

In addition, the Chancellor fees are prescribed in the fee order at 14% of the registrar fee.

2027 and 2028 assume an increase of 10%; in 2025 the costs were increased by 14% and in 2026 the increase is 11.2% so we expect this increase to continue above inflation.

21. Training for Ministry:

2026 Budget	2025 Budget	2025 Forecast	2024 Actual	% change 2025 forecast to 2026 budget
£'000				
168	282	282	376	-40%

Under the new triennium spending plans, the national church apportionment (or votes) has been scrapped and replaced with a 'Training for Ministry' fund, which will make a contribution to the national cost of training ordinands. The figures stated above are therefore not fully comparable but reflect the outward payments from the diocese to contribute to national church costs.

For 2026 there will be a period of transition where we will continue to pay maintenance grants locally for the rest of the 2025/26 academic year. From September 2026 the maintenance grants will also be paid by the national team. As a result the 2026 figure is transitional, with the pooling of maintenance costs also offsetting this (PDBF usually benefits from a credit against costs under the pooling arrangements. Pooling will also factor in 2027 for the last time, although the quantum of this is not yet known).

The 2027 and 2028 reflect the figures provided by the national church prior to the final pooling adjustment.

Lay staff salaries:

Historically, the increase in lay staff salaries has been matched to the increase applied to stipends. The increase in stipends of between 4.1% and 10.8% to align with the new national recommendation is not expected to be applied to lay staff. Lay staff salaries are based on spine points with 7 tiers, allowing for regular review as roles and capabilities develop. As such, it is not considered necessary to apply the inflationary catch up applied to stipends, to lay staff salaries. There has been evidence of stipendiary clergy experiencing financial hardship which has led to the decisions regarding the increases to stipends which is not replicated for lay staff.

The following tables shows the headcount for the diocesan staff team, and the headcount as funding through the general fund:

	Total budget	General Fund budget	Other Funds FTE	Expected end date for funding
Diocesan Office	2.60	2.60	-	
Communications	1.60	1.60	-	
Clergy Housing	2.40	2.40	-	
Parish Support	5.35	3.74	1.61	Net Zero Carbon - 0.8 FTE funding extended until end of 2026 Church Building Support Officer - 0.4 FTE funding extended to end of June 2026 Buildings Officer - 0.4 FTE SMMI funding until end of 2027
Strategic Programme Team	2.60	-	2.60	Team funding under SMMI until end of 2027
Safeguarding	5.80	5.80	-	
Clergy Support	2.70	2.70	-	
Ministry and Discipleship	9.15	6.65	2.50	Growing Faith Enabler - 0.5 FTE funded until end of 2026 Leads for revive and revitalise - 2.0 FTE funded until end of 2029
Social Transformation (CSR)	6.00	0.10	5.90	Funded by CSR
Finance	3.40	3.40	-	
Total	41.60	28.99	12.61	

The total cost of salaries budget for the general fund compared to 2025 budget and forecast are as follows:

	2026 budget	2025 forecast	2025 budget
Total	£ 1,900,261	£ 1,476,189	£ 1,818,230

The majority of the increase compared to forecast relates to the pension contributions. Throughout 2024 and 2025, we have been applying the surplus from the old lay staff pension scheme of £424k to offset the pension contributions for lay staff. The budget currently assumes that pension contributions are paid in full throughout 2026, however we would expect a small proportion of the pension surplus to remain which should cover contributions for 3-4 months at c£18k per month. There is still uncertainty as to the final valuation of this historic pension scheme and whether any further surplus may become available; we expect to have clarity on this before the end of the year.

The increase compared to 2025 budget allows for the 3% increase to salaries, the full year impact of the new national insurance rates (effective April 2025), and an allowance for review of spine points for individuals during the year.

Cashflow forecast:

The detailed cashflow forecast accompanies this budget proposal.

In addition to the amounts held on deposit with CCLA and the general bank account with Barclays (which are reflected in the cashflow forecast), there are investment balances also held in the general find, which if needed could be sold to support with operational cashflow.

At 31 August these balances were as follows:

Globel equity	Investment	Total
£ 1,169,117	£ 1,095,595	£ 2,264,712

During September, the amounts held in global equity have been moved to the investment portfolio, which reduces the risk exposure and provides greater stability in the valuations. After the initial slump in the market at the start of the year following the US tariff announcements, we have seen an improvement during the year and would therefore anticipate these balances continuing to increase (barring any other major economic impacts), enabling a higher level of resources to be available should they be needed.

The following section regarding other sources of funding details additional resources that may be available in the short term to support with the operational costs within the budget. The impact presented in the cashflow forecast could therefore be reduced by these amounts.

Other sources of funding

As in previous years, there may be opportunity to utilise other designated, restricted or endowment funds to support the general fund budget. In addition, we have noted above where there is opportunity to apply for additional grant income that might offset some of the budgeted costs.

It is likely that we will need to demonstrate a reduction in diocesan assets should we need to seek additional support from the National Church, for example through application for the transitional funding available through SMMIB. The triennium spending plans includes £100m of funding through SMMIB for 'business as usual'. At the moment it is unclear how this might be applied for, and what if anything we might expect to receive.

Designated funds
Appendix 4 details the current balances held on designated funds (those that have been set aside by trustees for a specific purpose) and how we plan to support the budget for the remainder of 2025, and what this could look like into 2026 and future years. Each of these funds is held in either shares or deposit accounts with CCLA and so each generates investment income. By managing the use over time, we hope to maintain a level of investment income on the funds as well, to ensure that we can create value beyond 2025 and 2026 from these funds.

The current proposal demonstrates that we may see an additional £168k to support with the budgeted deficit for 2026, leaving £1.5m for use in years beyond this.

It may be appropriate to use some of these funds more quickly, and this will be kept under regular review.

Restricted funds
We continue to review the property portfolio to identify any properties that may be surplus to requirements. There are a few houses that have been identified that may no longer be required and could be sold with the funds either reinvested in other properties, or proceeds invested in the pastoral fund. We have been using income generated from the pastoral fund to support the cost of parsonage repairs, and therefore we may see an increase in the income available to do this. The capital would also be available if needed, however we would need to be mindful of any funding required for future housing needs.

Appendix 5 details the current balances on restricted funds and where these are being used or could be used moving forwards. This also shows the end dates for current funding to demonstrate where projects may stop, or a decision may need to be made as to whether to fund from additional diocesan resources.

Endowment funds
We potentially have the opportunity to use some of the capital held in our endowments but applying total return. This would enable an increase in fund values above inflation to be available for use. Whilst we hold endowments totalling c£13m excluding land and buildings, there will be limitations on how the funds may be applied however we anticipate being able to use the Stipends Capital fund to support with some stipend costs. This is not expecting to make any substantial improvement to the financial position but will demonstrate further use of our resources. This will be explored in detail with the new auditors.

Summary of other funds
The following table shows the breakdown of potential changes as noted throughout the report, and demonstrates the possible contribution these could make to the budgeted deficit for 2026. There is nothing included from endowments as the work has not yet started to model what might be available and how this might be used.

Possible savings/reduction to budget	**2026 £'000**
Draft deficit (at 88% parish share)	*(1,237)*
Possible savings and transfers	
DBS pension surplus for lay staff	66
Grant funding for stewardship (Giving Advisor fund)	35
Clergy pension saving (if reduced to 21%)	23
Investment income on Capital Stipends Fund (Wickham Glebe)	40
From designated funds	
Possible usage (appendix 4)	168
From restricted funds	
Possible usage (appendix 5)	216
Potential revised position	*(689)*

We must of course take a cautious approach to the use of the designated and restricted funds as once used, they will not be available again, or we will see a reduction in investment income as a result of using some of the capital. This should therefore not be relied upon longer term.

Appendix 1: General Fund 2026 budget scenarios

PDBF Budget 2026	Actual 2024 £'000	Budget 2025 £'000	Forecast 2025 £'000	Budget 2026 £'000	Budget 2027 £'000	Budget 2028 £'000	Notes
INCOMING RESOURCES							
Parish Share (88% allocation)*	4,511	5,379	4,734	4,876	5,022	5,173	**1**
*Income at 92% collection**		*5,110*		*5,098*	*5,251*	*5,408*	
*Income at 95% collection**		*4,949*		*5,264*	*5,422*	*5,584*	
*Income at 100% collection**		*4,734*		*5,541*	*5,707*	*5,878*	
Fees	325	258	250	271	279	287	**2**
Rental Income	666	600	483	433	448	464	**3**
Grants	817	892	890	1,578	1,537	1,500	**4**
Fund transfers	135	189	170	195	199	202	**5**
Investment Income	508	447	446	430	464	498	**6**
Other income	174	130	164	144	147	150	**7**
Total Income	**7,135**	**7,895**	**7,138**	**7,926**	**8,096**	**8,274**	
COSTS OF MINISTRY AND MISSION							
Mission							
Clergy Remuneration	3,241	3,983	3,553	4,091	4,234	4,242	**8**
Clergy support	390	410	399	418	375	379	**9**
Clergy Housing	1,397	1,384	1,741	1,518	1,426	1,195	**10**
	5,027	5,777	5,694	6,028	6,035	5,816	
Safeguarding	318	386	355	419	428	436	**11**
Ministry and Discpleship	408	617	482	588	497	499	**12**
Social Transformation (CSR)	139	209	211	244	249	254	**13**
Education	195	189	186	195	199	202	**14**
Communication	102	115	102	125	122	124	**15**
Parish Support	284	296	281	319	310	310	**16**
Mission Total	**6,472**	**7,589**	**7,311**	**7,917**	**7,839**	**7,642**	
Mission Support							
Finance	216	232	233	258	254	259	**17**
Diocesan Office	689	667	591	666	668	672	**18**
Governance	13	12	11	12	13	13	**19**
Registrar and Legal	113	145	127	143	157	173	**20**
Mission Support Total	**1,032**	**1,055**	**963**	**1,078**	**1,091**	**1,117**	
Training for ministry	168	58	58	168	266	276	
National Church responsibilities	111	114	114	-	-	-	
Grants and provisions	19	20	20	-	-	-	
Mission agency support	-	6	6	-	-	-	
Clergy retirement housing	77	83	83	-	-	-	
Training for ministry	**376**	**282**	**282**	**168**	**266**	**276**	**21**
TOTAL EXPENDITURE	**7,879**	**8,926**	**8,555**	**9,163**	**9,197**	**9,035**	
Surplus/(Deficit) before transfers	**(744)**	**(1,031)**	**(1,417)**	**(1,237)**	**(1,101)**	**(761)**	
Gain/(Loss) on Sale of Fixed Assets	97		10				
Net surplus/(deficit) for the year*	**(647)**	**(1,031)**	**(1,407)**	**(1,237)**	**(1,101)**	**(761)**	
Sensitivity - adjusted deficit to reflect impact of undercollection of parish share:							
If 92% collection achieved*		*(907)*		(1,015)	(873)	(654)	
If 95% collection achieved*		*(1,069)*		(849)	(701)	(349)	
If 100% collection achieved*		*(1,284)*		(572)	(416)	(55)	

* In 2025, the figures for 100% collection were included as the headline figures, then reducing to 95%, 92% and 88%

Appendix 2: Historic parish share collection rates

The following shows the historic trends in parish share collection:

- 2024 - £4,510,614 – 86.4% collection (£5,222,782 budgeted)
- 2023 - £4,323,125 – 84.4% collection (£5,122,000 budgeted)
- 2022 - £4,414,295 – 86.2% collection (£5,122,000 budgeted)
- 2021 - £4,405.115 – 87.5% collection (£5,034,417 budgeted)
- 2020 - £4,691,178 – 89.9% collection (£5,218,218 budgeted)
- 2019 - £4,782,580 – 97.1% collection (£4,925,417 budgeted)

Appendix 3: Allocation of LINC funding

As part of the increase to LINC funding, there will be a requirement for additional reporting of the use of the grant to the national church. A report also needs to be made to diocesan synod of how we propose to use the funds.

The use of the grant totaling £864,188 is planned as follows:

1. Administrative support for the following parishes to free clergy to focus on ministry and mission (c£35k pa in total):

    - St Michael and All Angels, Paulsgrove
    - Cosham and Wymering
    - Leigh park
    - St Albans, West Leigh

2. Payment for lay pioneer minister at Haven Church (part of the matched funding commitment under SDF3) c£33k pa

3. Support for faculty fees for LINC funded parishes if required - £1.5k budgeted

4. Payment for grant finder database - £4.9k budgeted

5. Contribution to increased parish website costs for LINC parishes – up to £500 budgeted

6. Contribution to unpaid parish share (i.e. where the amount allocated or paid is below the current calculation for LINC funded parishes

    - This reflects that for LINC funded parishes, even the transitional arrangements may be a financial challenge, especially if they are also parishes that have seen significant growth as a result of SDF and SMMI funding, and the parish income will not seen the same level of growth

7. Contribution to ministry costs for LINC funded parishes

    - This reflects that although we do not link parish share to the direct cost of ministry for a parish, we know that our overall parish share collection falls short of the costs of providing ministry and therefore the LINC funding supports with bridging this gap. This enables us to continue separating the share request from the level of support received by a parish.

Appendix 4 – Designated Fund proposals

Name & description	Balance 31/08/2025	Committed elsewhere	Balance remaining	Potential cashflows to support operational budget 2025	2026	2027	2028	Balance	Notes
Brown Doigs - for DBF office costs	£ 57,199	-£ 23,370	**£ 33,829**		£ 7,500	£ 7,500	£ 7,500	£ 11,329	To offset DBF office costs. Includes balance for website project of £23,370. Costs drawn for new photocopiers in 2025. Assume costs for small no of laptops/desk equipment each year
Dio Conference - towards cost of diocesan conferences when held	£ 59,149	-£ 59,149	**£ -**					£ -	This fund is being held for diocesan conference in Sept 2026 and 2027 centenary event.
Dio loan - to support with short term loans to parishes	£ 338,001		**£ 338,001**					£ 338,001	Held for parish loan requirements. Now using investment income to support general fund against unpaid parish share
Parsonage repairs - repairs and maintenance in relation to parsonages	£ 238,139		**£ 238,139**	£ 25,000	£ 40,000	£ 30,000	£ 30,000	£ 113,139	Reduction in balance for insurance costs and to support some of the expected parsonage expenditure. Investment income generation will offset part of this
CME - continuing ministerial education	£ 152,937		**£ 152,937**	£ 25,000	£ 25,000	£ 25,000	£ 25,000	£ 52,937	To support with the ministry and discipleship budget - expectation of additional costs from MDRs.
Valpy - for stipends	£ 17,017		**£ 17,017**	£ 17,017				£ -	Covers stipend and small amount of on costs for one post, propose to use in one go
Winterbotham - for DBFs own purposes	£ 138,788		**£ 138,788**	£ 13,000	£ 25,000	£ 25,000	£ 25,000	£ 50,788	Use to underpin the general fund, no specific item. Also investment income moved to general
Office repair - repair and maintenance of office equipment	£ 77,571		**£ 77,571**					£ 77,571	Balance required for large costs under the service charge (lifts, windows etc). Topped up each year by £20k - no proposed spend as unknown timing of large works.
Mission	£ 359,913	-£ 312,524	**£ 47,389**	£ 37,126	£ 10,263			£ -	Meets diocesan matched commitment under SDF and SMMI bids. Investment income generated on these funds and the SMMI funds received in advance will be used to cover choir church and any variances in costs under the matched commitment. Fund will be topped up by investment income elsewhere
Catherington	£ 702,916		**£ 702,916**	£ 10,000	£ 30,000	£ 30,000	£ 30,000	£ 602,916	As spirituality projects identified - expect to use. Some has been used in recent years against training costs and there may be some support costs in relation to Cairns that may be applicable (where these are not funded under the SMMI funds). Also Dolling Centre proposal. Will be topped up by investment income generation
Sustainability	£ 75,225		**£ 75,225**	£ 14,000	£ 30,613	£ 30,613		£ -	To support with commitments in the current budget plans
Reader Board	£ 14,182	-£ 14,182	**£ -**					£ -	Reader ministry
	£2,239,752	-£ 409,225	**£1,830,527**	£ 141,143	£ 168,376	£ 148,113	£ 117,500	£1,255,396	

NB all balances are generating investment income therefore actual remaining balance may be higher if not fully utilised

Appendix 5 – Restricted Fund proposals

				Potential cashflows to support operational budget		
Fund no	Name & description	Balance 31/08/2025	Used regularly	Notes	If project funding, end date for project	Possible use in 2026 against budget
RF02	Barclays Bequest	£ 8,400	x	For 'new churches' buildings		
RF03	Benefice Augmentation	£ 115,090	x	For stipends - look to use in 2026 - confirming any further details on the restriction		£ 115,090
RF05	Christian Healing	£ 280	x	For Christian healing work - look to use in 2026		£ 280
RF06	Harrison	£ 20,374	x	Loans to Parishes		
RF07	Huckstepp Legacy	£ 125,417	x	Support Ordinands - currently exploring details of restriction and a small amount has been applied in 2025. Could potentially offset against some ordinand maintenance costs		£ 60,810
RF08	James Legacy	£ 25,234	x	Support Ordinands - as above		
RF09	New churches	£ 1,417,958	x	For 'new churches' buildings		
RF10	Turret House	£ 140,447	x	For church building projects		
RF11	Surrexit	£ 28,578	✔	For youth development	End 2026	
RF12	Pastoral Fund	£ 1,300,030	x	Management of money in accordance with the Mission and Pastoral Measure 2011. Use investment income towards parsoange repairs. May be opportunity to use captial as well		£ 40,000
RF15	Corban	£ 54,163	x	For Poor and needy in Portsmouth St Albans parish		
RF16	Eckersley	£ 519,035	x	For the support of clergy and their families - currently exploring details of restriction and how this might be used		
RF17	Education	£ 921,923	✔	Education within the diocese of Portsmouth - supports DBE costs and income generated into the fund through rentals		
RF19	SDF & Ryde SMMI	£ 57,566	✔	For activities specifically identified in the strategic plan	SDF - Q4 2026 Ryde - Q4 2028	
RF22	Energy	£ 14,834	x	To support Parochial Church Councils with increased energy costs		
RF23	Net Zero Carbon	£ 18,373	✔	To support work towards net carbon zero initiatives	Extended for 2026 but at lower rate. Possible £25k investment needed from DBF	
RF24	Church Building Support Officer	£ 23,454	✔	Towards costs of Church Buildings Support Officer in delivering support for church buildings	June 2026. Expect extension but currently at lower rate. DBF investment may be needed to continue role	
RF25	Minor Repairs and Improvements	£ 42,457	✔	For small scale repairs and improvements for church buildings	End 2025	
RF26	Flourish	£ 60,806	✔	For school partnerships to develop new worshipping communities.	July 2026. Expecting bridge funding to December 2026 and then future projects included in next SMMIB	
RF27	Quick Wins	£ 8,841	✔	For small grants to parishes to support net zero projects	End 2025	
RF28	Rejuvenation	£ 432,180	✔	For activities specifically identified in the strategic plan	End 2029	
RF29	Additional stipendiary ministry	£ 78,473	✔	Anonymous donation towards minstry for 3 year period	Mid 2028	
RF30	Demonstrator	£ 27,075	✔	NZC works on Steep vicarage	End 2025	
		£ 5,440,988				£ 216,180