



THE DIOCESE OF  
**SHEFFIELD**

# Introduction & Context

Canon Ian Walker – Chair  
Sheffield Diocesan Board of Finance



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## Motion for discussion and approval

“THAT Synod, sitting as the DBF, approves the budget of the Diocesan Board of Finance for the 12 months ending 31 December 2026 as proposed by the Finance Committee and authorises the DBF to work to a deficit budget of net (Outgoing) resources, after transfers, of £1.24m”

# 2026 Budget

Tony Gardiner – Finance Director  
Sheffield Diocesan Board of Finance



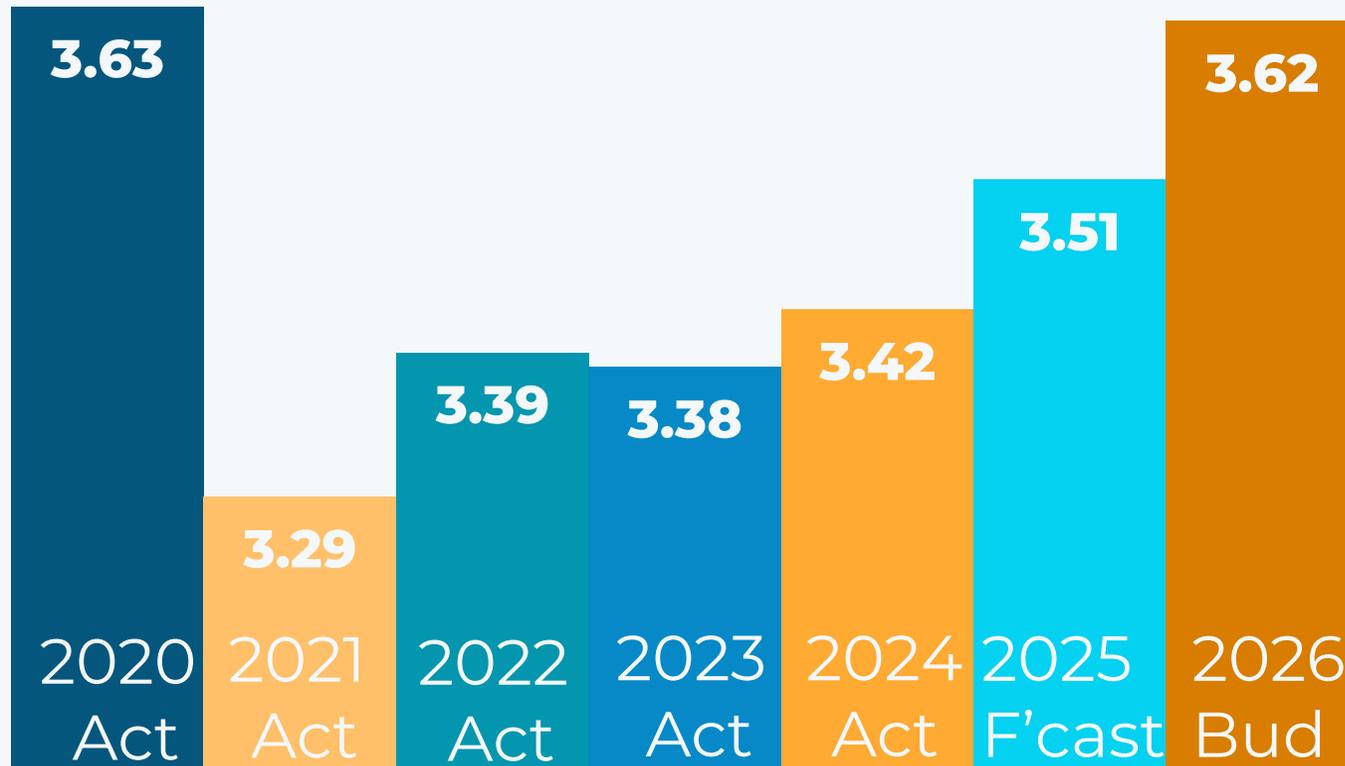
# Key Budget Assumptions

- Common fund target increases from £3.5m to £3.6m (3%)
- Stipends align to National Stipend Benchmark and National Minimum Stipend from 1 April (circa 11% increase)
- Property costs held flat year on year (£2.2m)
- Grant funded projects have equal income/expenditure
- Clergy numbers assume 50% filling of vacancies



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# 2026 Common Fund Expectations



- 2025 budget was for £3.5 million and on track
- 3% uplift on 2025 gives £3.6m
- This is still not a sustainable level

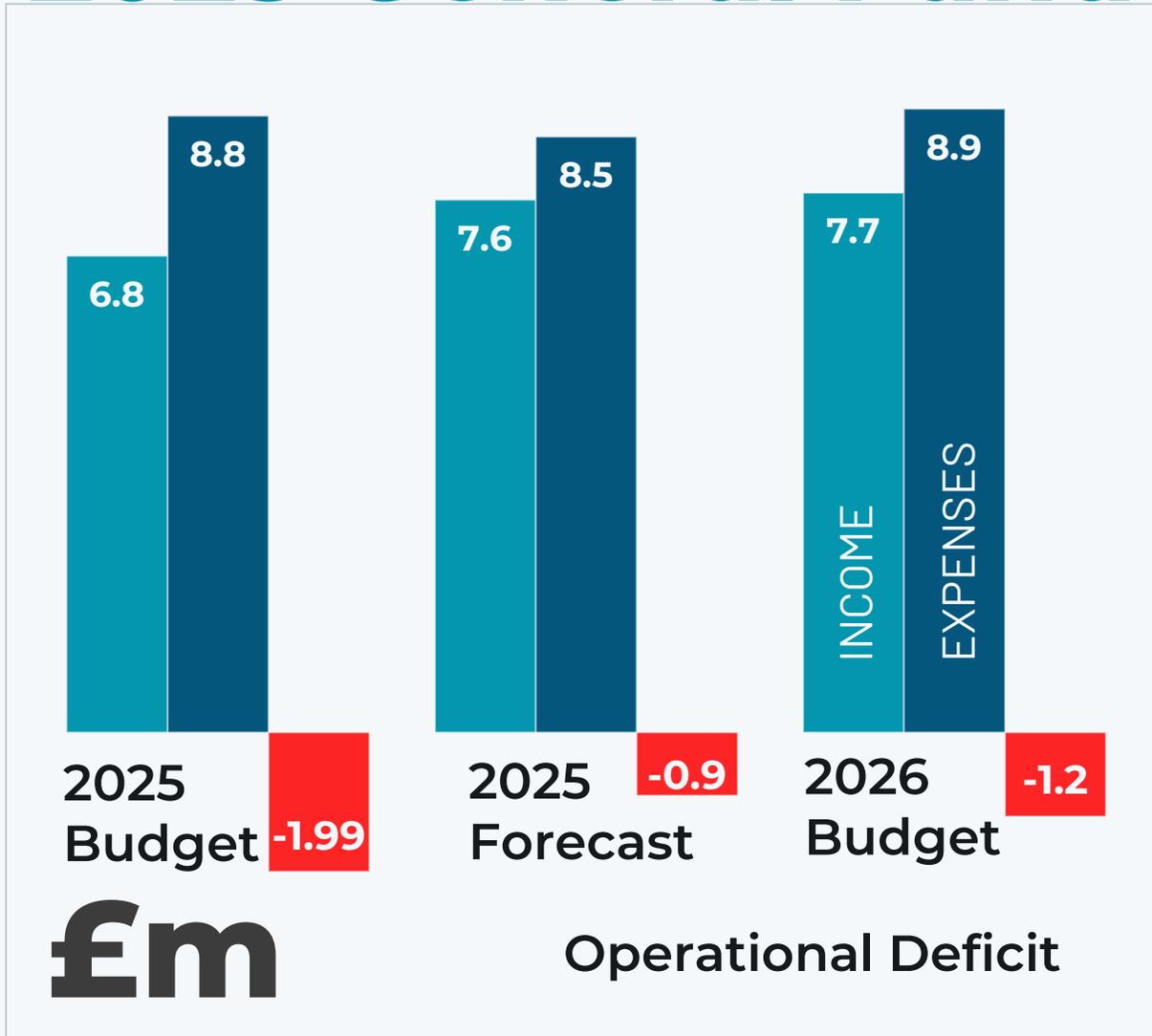
£m

# Clergy Stipend Numbers

| Stipend Numbers (FTEs)       | 2025               | 2025                 | Net               | 2026               |
|------------------------------|--------------------|----------------------|-------------------|--------------------|
|                              | Budget<br>31/12/25 | Forecast<br>31/12/25 | Additions<br>2026 | Budget<br>31/12/26 |
| <b>Incumbant:</b>            |                    |                      |                   |                    |
| DBF Funded                   | 64.0               | 66.5                 | 5.0               | 71.5               |
| Transformation & Capacity    | 5.0                | 5.0                  | 0.0               | 5.0                |
| Revitalisation               | 5.0                | 4.0                  | 0.0               | 4.0                |
| Post of First Responsibility | 3.0                | 3.0                  | 0.0               | 3.0                |
| SMMIB Funded                 | 0.0                | 2.0                  | 10.0              | 12.0               |
| Benefact                     | 2.0                | 2.0                  | 0.0               | 2.0                |
|                              | 79.0               | 82.5                 | 15.0              | 97.5               |
| <b>Curates:</b>              |                    |                      |                   |                    |
| DBF Funded                   | 13.0               | 12.0                 | 0.0               | 12.0               |
| SMMIB Funded                 | 0.0                | 0.0                  | 4.0               | 4.0                |
| SMMIB Extra Curates          | 0.0                | 0.0                  | 3.0               | 3.0                |
| SMF Extra Curates            | 9.0                | 10.5                 | (4.0)             | 6.5                |
|                              | 22.0               | 22.5                 | 3.0               | 25.5               |
| <b>Other Roles:</b>          |                    |                      |                   |                    |
| Locally Funded               | 6.4                | 4.4                  | 0.0               | 4.4                |
| Archdeacons                  | 2.0                | 2.0                  | 0.0               | 2.0                |
| Church House Role            | 0.5                | 0.5                  | 0.0               | 0.5                |
|                              | 8.9                | 6.9                  | 0.0               | 6.9                |
| <b>Total</b>                 | <b>109.9</b>       | <b>111.9</b>         | <b>18.0</b>       | <b>129.9</b>       |

- 2025 Budget assumed a 50% fill rate on vacancies – accurate as per table opposite
- Diocese vacancy rate is 14% (versus a 30% rate nationally)
- 2026 current vacancies = 13 (some will be funded – assume a net 5 increase in DBF funded roles)
- Need to plan for when funded roles come to an end and absorb into DBF funded numbers

# 2025 General Fund Budget



- 2025 Income includes £1m SMMIB transition funding (not confirmed at time of 2025 Budget approval)
- Deficit reduced to £0.9m
- General Fund roughly equal to total DBF in deficit terms
- Clergy numbers in 2025 versus budget assumptions consistent

# Income Summary

|  | Actual<br>2024               | Budget<br>2025               | Forecast<br>2025             | Variance                     | Budget<br>2026               |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|  | 2024<br>General Fund<br>£000 | 2025<br>General Fund<br>£000 | 2025<br>General Fund<br>£000 | 2025<br>General Fund<br>£000 | 2026<br>General Fund<br>£000 |
| <b>INCOME</b>                                    |                              |                              |                              |                              |                              |
| 1 Common Fund/Ephesians Fund/Restricted PLF Fund | 3,419                        | 3,510                        | 3,510                        | 0                            | 3,615                        |
| 2 Church Commissioners Grants                    | 1,892                        | 1,835                        | 2,835                        | 1,000                        | 2,874                        |
| 3 Grants and donations                           | 123                          | 124                          | 124                          | 0                            | 124                          |
| 4 Fees and benefice income                       | 275                          | 266                          | 266                          | 0                            | 274                          |
| 5 Rental income                                  | 230                          | 200                          | 220                          | 20                           | 160                          |
| 6 Investment income                              | 392                          | 383                          | 383                          | 0                            | 382                          |
| 7 Income from events etc                         | 46                           | 44                           | 34                           | (10)                         | 44                           |
| 8 Cost Recovery from Projects                    | 149                          | 403                          | 219                          | (184)                        | 220                          |
| <b>INCOME TOTAL</b>                              | <b>6,526</b>                 | <b>6,765</b>                 | <b>7,591</b>                 | <b>826</b>                   | <b>7,692</b>                 |

# Expenditure Summary

|  | Actual<br>2024 | Budget<br>2025 | Forecast<br>2025 | Variance   | Budget<br>2026 |
|--|----------------|----------------|------------------|------------|----------------|
| <b>EXPENDITURE</b>                                   |                |                |                  |            |                |
| Costs of activities and support of activities:       |                |                |                  |            |                |
| 9 Grants Payable                                     | 242            | 255            | 215              | 40         | -              |
| Parish Ministry                                      |                |                |                  |            |                |
| 10 Parish Ministry - Incumbents Stipends             | 2,434          | 2,723          | 2,649            | 74         | 3,138          |
| 11 Parish Ministry - Curate Stipends                 | 506            | 516            | 544              | (28)       | 570            |
| Parish Ministry - Total Stipends costs               | <b>2,940</b>   | <b>3,239</b>   | <b>3,193</b>     | <b>46</b>  | <b>3,707</b>   |
| 12 Parish Ministry - Housing                         | 1,954          | 2,201          | 2,224            | (23)       | 2,169          |
| 13 Parish Ministry - Recruitment                     | 185            | 248            | 200              | 48         | 171            |
| Parish Ministry - Total Non-Stipendiary Costs        | <b>2,139</b>   | <b>2,449</b>   | <b>2,424</b>     | <b>25</b>  | <b>2,340</b>   |
| <b>PARISH MINISTRY - TOTAL PARISH MINISTRY COSTS</b> | <b>5,079</b>   | <b>5,688</b>   | <b>5,617</b>     | <b>71</b>  | <b>6,048</b>   |
| 14 Parish Ministry Support Costs                     | 1,950          | 2,148          | 1,941            | 207        | 2,237          |
| 15 Management and Administration Support Costs       | 450            | 664            | 669              | (5)        | 647            |
| <b>TOTAL SUPPORT COSTS</b>                           | <b>2,400</b>   | <b>2,812</b>   | <b>2,610</b>     | <b>202</b> | <b>2,884</b>   |
| <b>EXPENDITURE TOTAL</b>                             | <b>7,721</b>   | <b>8,755</b>   | <b>8,442</b>     | <b>313</b> | <b>8,932</b>   |

# Net Income/Expenditure Summary

|                                   | Actual<br>2024                             | Budget<br>2025                             | Forecast<br>2025                             | Variance                                     | Budget<br>2026                             |
|-----------------------------------|--|--|--|--|--|
|                                   | 2024<br>General Fund<br><br>Actual<br>£000 | 2025<br>General Fund<br><br>Budget<br>£000 | 2025<br>General Fund<br><br>Forecast<br>£000 | 2025<br>General Fund<br><br>Variance<br>£000 | 2026<br>General Fund<br><br>Budget<br>£000 |
| <b>INCOME TOTAL</b>               | <b>6,526</b>                               | <b>6,765</b>                               | <b>7,591</b>                                 | <b>826</b>                                   | <b>7,692</b>                               |
| <b>EXPENDITURE TOTAL</b>          | <b>7,721</b>                               | <b>8,755</b>                               | <b>8,442</b>                                 | <b>313</b>                                   | <b>8,932</b>                               |
| <b>NET INCOME / (EXPENDITURE)</b> | <b>£ (1,195)</b>                           | <b>£ (1,990)</b>                           | <b>£ (851)</b>                               | <b>£ 1,139</b>                               | <b>£ (1,240)</b>                           |

# 2027-28 Projections

|                    |  | Budget<br>2026                         | Forecast<br>2027                         | Forecast<br>2028                         |
|--------------------|--|--|--|--|
|                    |  | 2026<br>General Fund<br>Budget<br>£000 | 2027<br>General Fund<br>Forecast<br>£000 | 2028<br>General Fund<br>Forecast<br>£000 |
| <b>INCOME</b>      |  |  |  |  |
|                    | <b>INCOME TOTAL</b>                                  | <b>7,692</b>                           | <b>7,870</b>                             | <b>8,050</b>                             |
| <b>EXPENDITURE</b> |  |  |  |  |
|                    | Parish Ministry - Total Stipends costs               | 3,707                                  | 3,991                                    | 4,110                                    |
|                    | Parish Ministry - Total Non-Stipendiary Costs        | 2,340                                  | 2,405                                    | 2,474                                    |
|                    | <b>PARISH MINISTRY - TOTAL PARISH MINISTRY COSTS</b> | <b>6,048</b>                           | <b>6,395</b>                             | <b>6,585</b>                             |
|                    | <b>TOTAL SUPPORT COSTS</b>                           | <b>2,884</b>                           | <b>2,977</b>                             | <b>3,067</b>                             |
|                    | <b>EXPENDITURE TOTAL</b>                             | <b>8,932</b>                           | <b>9,372</b>                             | <b>9,651</b>                             |
|                    | <b>NET INCOME / (EXPENDITURE)</b>                    | <b>£ (1,240)</b>                       | <b>£ (1,502)</b>                         | <b>£ (1,601)</b>                         |

## Income:

- Common Fund 5% growth
- National Church funding confirmed 2026-28

## Expenditure:

- Stipend numbers (DBF funded) fixed at the end of 2026
- 2027 has full year impact of stipend uplifts
- Overheads + stipends + salaries have 3% growth

# Overview of reserves Forecast Dec 2025

**Restricted/Endowment**

|            |       |             |
|------------|-------|-------------|
| Parsonages | 32.1  |             |
| Stipend FC | 12.3  |             |
| Schools    | 2.2   |             |
| Other      | 0.3   |             |
|            | <hr/> | <b>46.9</b> |

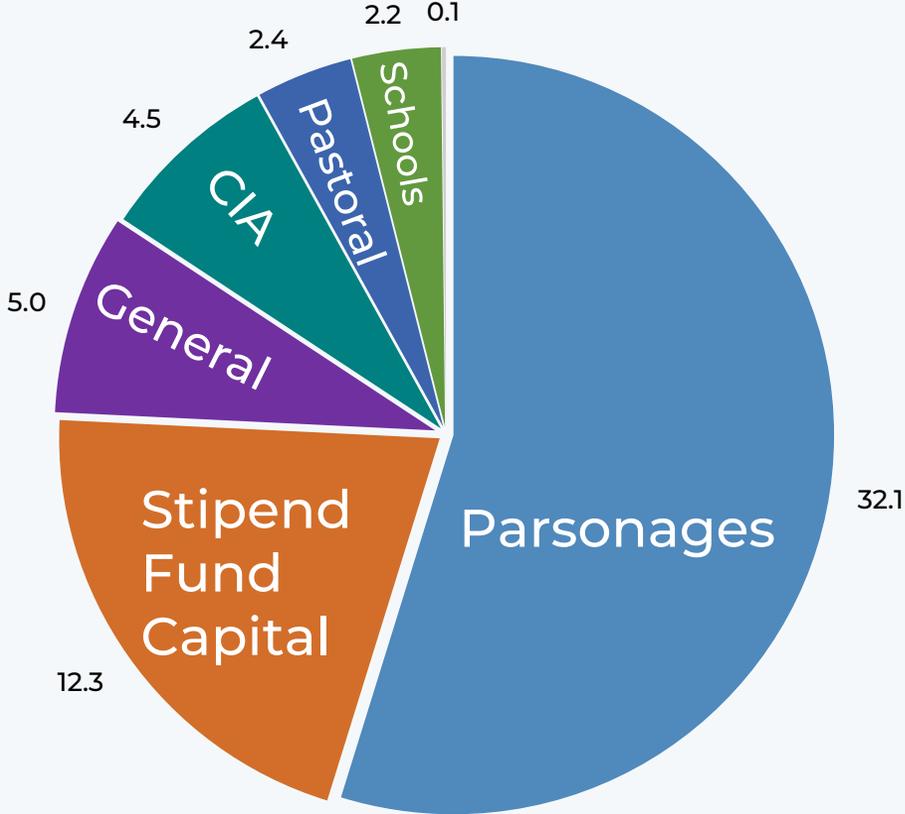
**Unrestricted + support funds (forecast)**

|                  |       |             |
|------------------|-------|-------------|
| General *        | 5.0   |             |
| Church In Action | 4.5   |             |
| Pastoral Account | 2.4   |             |
|                  | <hr/> | <b>11.9</b> |

**Total DBF Reserves at 31/12/2025**

**58.8**

\* Free Reserves excluding Property assets/Value Linked Loans = £3.3m



# Plan B

- Most Dioceses across the country have structural deficits, where the stipendary costs are not being covered by Common Fund and National Funding
- Further support expected in the next Triennium Funding review (2029-31)
- Need to ensure we can get to the end of 2028 with effective use of the reserves we have
- Additional £1m of SMMIB Transition Funding (for 2026/27 to be confirmed – not assumed in 2026 Budget)
- Close management of DBF funded stipend numbers alongside control over property costs, salaried staff and overheads
- Review of Common Fund methodology and LiNC allocation across parishes/Mission Areas

# Q&A

## Motion for approval

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# Thank you

If you have any further questions, please get in touch.

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