

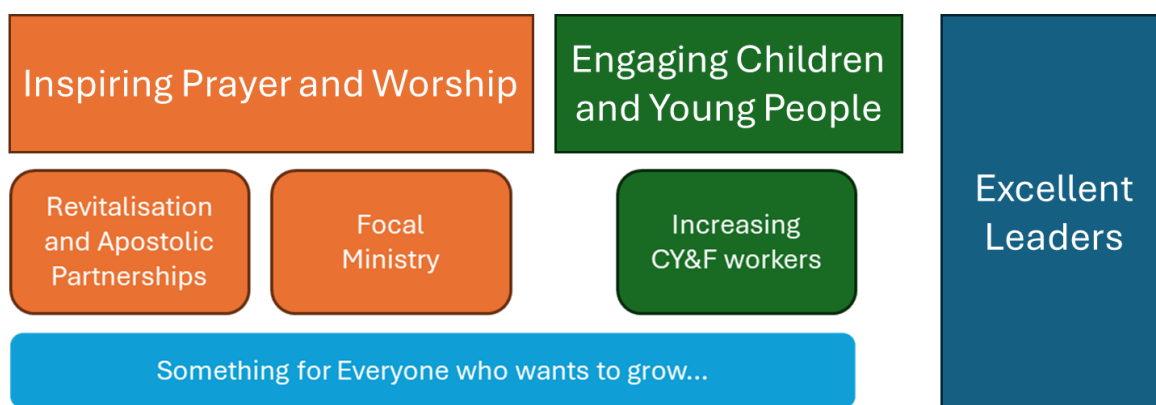


AUTUMN DEANERY MEETINGS

- 1. OVERVIEW OF DIOCESAN GROWTH STRATEGY**
- 2. PARISH SHARE AND PARISH MINISTRY COSTS**
- 3. CHANGES TO THE BUDGET AND PMC**
- 4. DRAFT BUDGET 2026**
- 5. AVERAGE PARISH MINISTRY COSTS FOR 2026**

1. Overview of the Diocesan Growth Strategy

Our Diocesan Growth Strategy 2025 to 2035, is a £21m decade-long programme of transformation that seeks to bring revitalisation and missional growth to local churches in Sussex by **expanding proven interventions into eighty more churches, and doing it better on the basis of what we've learned**. It was approved at the March 2025 Diocesan Synod. We hope to attract 5600 new disciples (Worshipping Community) of whom at least 2650 will be under 16. Our Bishops have discerned three priorities – under which there are a number of project areas:



We are seeking to revitalise around 25 parishes, many of which through an Apostolic Partnership as these have proved successful over the past ten years. These will predominantly be in coastal areas of highest need & population. We are aiming to grow the number of children and youth workers, as well as resourcing them and volunteers more effectively.

The strategy seeks to implement a new 'focal ministry' initiative to support clergy in multi-church benefices. Our hope is that this will help strengthen leadership in at least 30 of our smaller churches.

As part of a menu of offerings for every parish that wants to grow, and alongside a range of resources and increased training offering, we will see a reinvigorated mission fund to support small grants and innovation across the diocese.

Underpinning each strand is the need to strengthen excellent leadership and develop sustainability in parishes.

The Strategic Mission and Ministry Investment Board (SMMIB) said of our June 2025 application: "The Board warmly welcomed the diocese's proposal; its robust assessment of the Health and Vitality of its parishes and the refocusing of ministry towards the higher population areas on the south coast. It welcomed the work on focal ministry and hoped that this may generate learning for the wider Church."

£1.9 million has been awarded in full for the Focal Ministry strand, the Mission Fund strand and capacity funding to run the programme. The Board agreed to consider an in-principle award of £9.2 million for the Revitalisations and Children, Families and Young People strands, with a supplementary application scheduled for consideration in December 2025 to upgrade the award to full funding. We are currently working on that supplementary application.

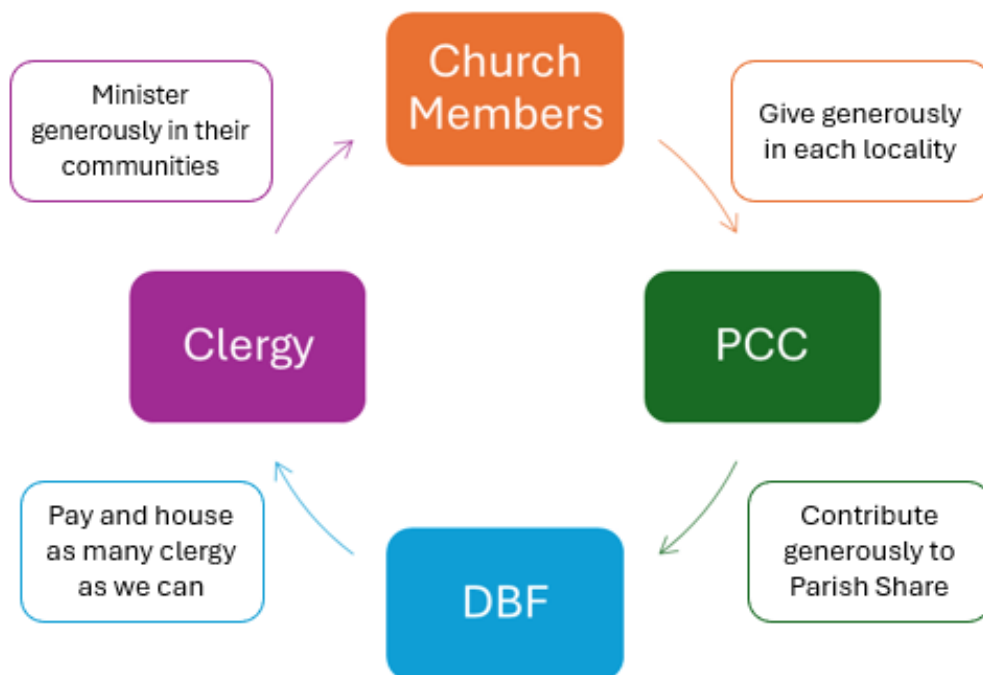
During the Autumn Deanery meeting, we will share the likely implications for your deanery.

2. Parish Share and Parish Ministry Costs

2.1 Cycle of Generous Giving

There is a circular flow of giving around the Diocese:

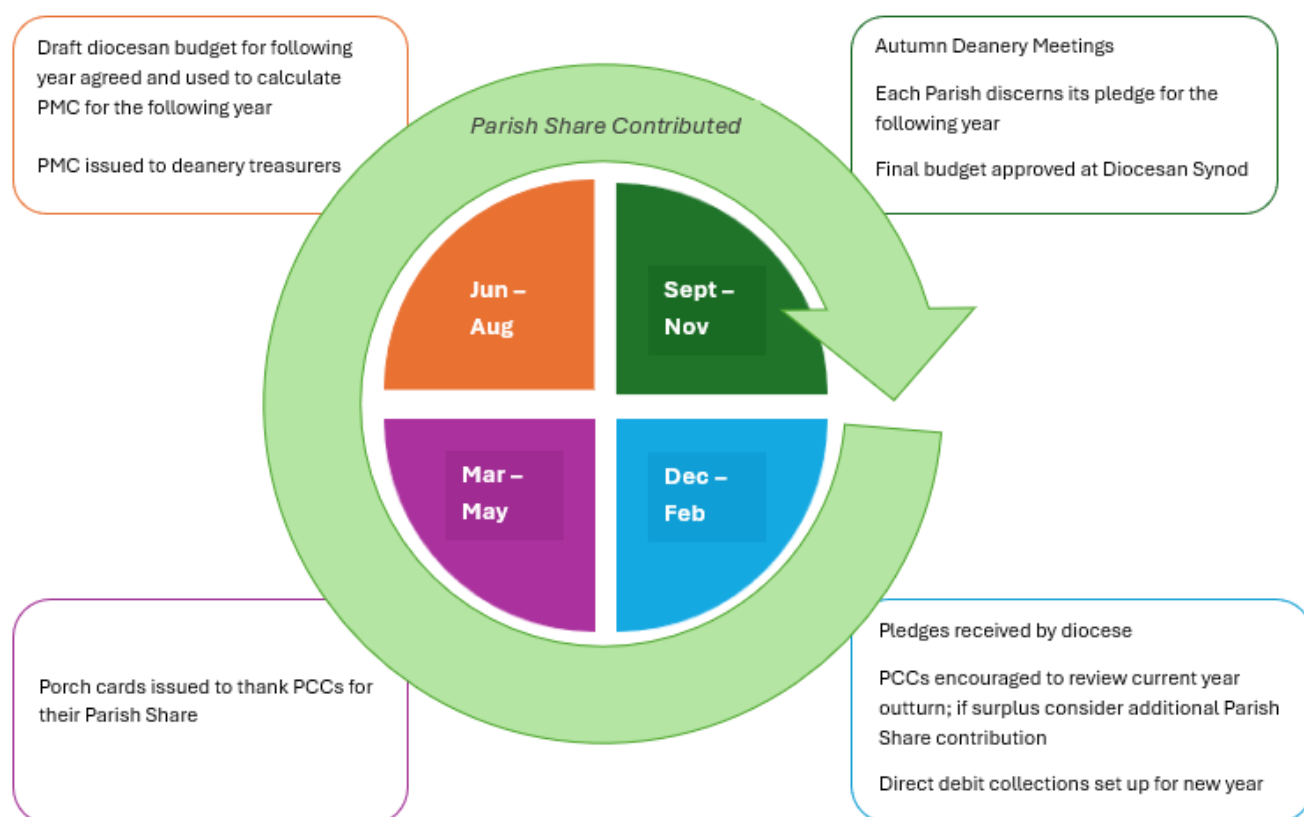
- Our congregation members give generously to their local parish church
- Each PCC makes a generous financial contribution to the diocese in the form of Parish Share
- The diocese pays and houses the clergy, as well as providing services to parishes such as buildings advice and safeguarding checks
- The clergy nurture and grow their congregations, leading to generous giving....



2.2 Parish Share and Average Parish Ministry Costs ('PMC')

Average Parish Ministry Costs	Parish Share
• Indicative cost to Chichester DBF of placing a minister in a parish • Calculated by taking the operating budget and dividing by clergy headcount • Includes direct ministry costs of stipend, NI, pension and clergy housing. Also includes a contribution to training the next generation of clergy and parish support services.	• Contribution paid by a PCC towards the costs of mission and ministry in the Diocese. • PCC prayerfully decides the figure taking into account the PMC, and the local financial situation. • PCCs are encouraged to be generous but realistic when pledging • Enables us to work together as a household of faith to ensure that the good news of Jesus Christ can be shared across Sussex • Not a tax or an invoice.

2.3 Parish Share Year



3. Changes to the Budget and PMC

Some Important Changes...some national, some local.

Several changes impact the preparation and presentation of the budget in 2026.

Nationally... In July of this year, General Synod voted to:

- Abolish National church apportionment (votes 1-5) from 2026. Thus our 2026 budget shows a nil budget for National Church Responsibilities.
- Introduce a new Ministry Training Fund to pay for clergy training and ordinand maintenance¹. Overall the costs of ordination training are lower compared to 2025.
- Introduce a new national stipend benchmark (of £34,950) to increase clergy stipends to the inflation-adjusted equivalent of 2011 levels. This results in a 7% stipend increase in 2026 for Chichester incumbents. This is lower than the national increase reported in the media of 10.7% as Chichester's stipend was already ahead of the NSB.

Locally... We have reviewed the presentation of housing costs in the budget. This does not change the overall budget, but changes the headings in which housing costs are shown. In the past all property expenditure was shown in the 'clergy housing' heading as the budget is managed by the Property Team.

For 2026 the average cost of maintaining a house (total expenditure / total houses) has been calculated and allocated as follows:

- Expenditure on housing for Bishops and Archdeacons is shown within Ministry Support where other costs for Bishops and Archdeacons are presented.
- Housing costs for training curates is now within Training along with all other curate costs.
- All other expenditure on housing (primarily for incumbents and associate vicars) is shown under Clergy Housing

Please also note the following changes to the presentation of parish ministry costs:

- A vacancy credit has been calculated for each post. This represents a share of the savings on stipends, NI and pension resulting from clergy vacancies across the diocese. A credit used to be awarded at a deanery level but from 2026 it has been agreed to award a credit to each post for consistency. A house for duty post receives half a credit as there are no stipend costs in PMC.
- PMC was not calculated for 2025 as we were in a period of transition and so the figures show 2026 compared to the 2024 calculations. Hence the large increase in some figures as there are two years' worth of inflation included.
- The change in the presentation of housing costs means that some PMC elements now contain additional expenditure whereas the clergy housing element no longer includes the costs for Bishops, Archdeacons or training curates. Therefore the elements are not like for like.
- The National Church element is now zero.
- The diocesan contribution to the new Ministry Training Fund has been included in Training.

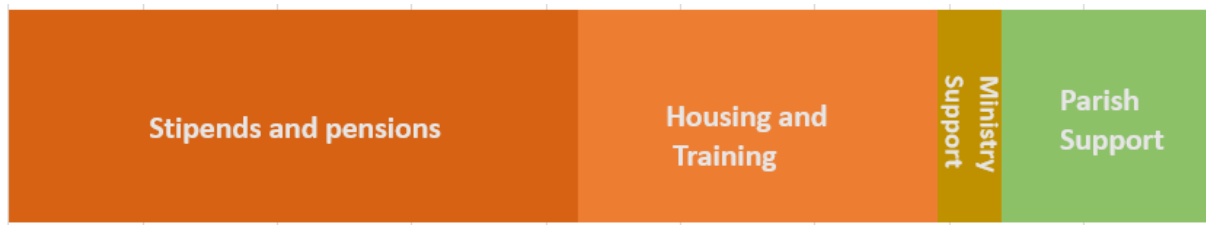
¹ The current system for ordinand maintenance remains in place for 2025/26 (with a final pooling adjustment in 2027) and so the budget includes amounts for both systems in 2026.

4. Draft Budget for 2026

4.1 2026 Budget Summary

General Fund:

Expenditure c. £17.9m



Income c.£17.6m



4.2 2026 Budget Commentary

The current budget for 2026 shows income of £17,551,821 and expenditure of £17,867,386 resulting in an overall deficit of £315,565. This compares with a budget deficit for 2025 of £723,798.

Of the deficit about £200k relates to the additional stipend costs resulting from the uplift to the new national stipend benchmark from April 2026. The remaining £115k relates to the underlying operating deficit, and this can be covered from diocesan resources.

Key assumptions:

- Parish share budgeted to increase by 3% based on the 2025 forecast as at 30 June 2025
- The budget for investment income is £95k higher than 2025. This is based on the 2025 forecast yields, and assumes that proceeds from property and land sales in 2025 will be invested.
- Rental income is budgeted to decrease as we implement the policy of disposing houses which are no longer required for parochial ministry, and also in response to the Renters Rights Bill which will impact on our ability to achieve certain lettings.
- The property budget includes details of all planned works for 2026. Maintaining the property portfolio is a priority as it protects the DBF's assets and supports clergy wellbeing and therefore savings have not been sought in this area.

- Salaries to increase by 4.1% in 2026 (which is the CPIH annual rate at May 2025).
- Stipends to increase to £34,950 from 1 April 2026 in line with the national recommendation (7% increase).
- Clergy pension contributions calculated as 22% of the new national minimum stipend. This is a reduced rate on a higher stipend compared to 2025, and leads to a modest reduction in contribution per head.
- The budget includes four new stipendiary curates in 2026 to be funded through parish share.
- The vacancy rate is 28, which is the same as the 2025 budget.
- The annual grant of £36,000 to Family Support Work is being reinstated.
- Following the recommendations of the INEQE audit, the staffing capacity of the safeguarding team has been increased.
- The Registrar and Chancellor fees are increasing by 10% as proposed to General Synod in July 2025.
- As noted for 2025, all closed church income and expenditure is now going through the Pastoral Fund.

5. Average Parish Ministry Costs for 2026

The Average Parish Ministry Costs for 2026 are included in the booklet. For a full time stipendiary post the overall increase from the PMC issued for 2024 (and used for 2025) is 2.3%. The changes in the elements are summarised as follows:

	2024/25	2026	Change	Note
	£	£	%	
Stipend & NI	33,552	38,548	14.9%	Comparing 2024 to 2026 so 2 year increase including increase to national stipend benchmark from 1/4/26.
Pension	7,413	7,127	-3.9%	Reduction in % from 25% to 22% of national minimum stipend
Vacancy Factor	-	(2,735)		New element at post level to spread benefit of vacancies across all posts
Housing	10,438	13,574	30.0%	Significant inflation on building costs and labour since 2024. No subsidy from restricted funds in 2026.
Training	10,072	8,628	-14.3%	National changes to the funding of ordination training result in a saving
Ministry Support	3,158	3,705	17.3%	Now includes housing costs for Bishops and Archdeacons
Parish Support	13,589	14,499	6.7%	Reinstate FSW grant; Increase safeguarding team; significant inflation on legal fees, insurance and General Synod expenses
National Church	3,223	-	-100.0%	National Church Apportionment abolished from 2026
S Post	81,445	83,346	2.3%	

THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE

DRAFT BUDGET 2026

Actual 2024		Budget 2025	Forecast 2025	Budget 2026	%age on 2025 budget	%age of total
£	<u>INCOME</u>	£		£		
13,826,603	Parish Share	13,728,000	13,748,000	14,214,000	3.5%	81.0%
1,667,496	Investment income and drawings	1,593,000	1,593,000	1,688,469	6.0%	9.6%
127,666	Investment income from restricted funds	119,800	119,800	128,152	7.0%	0.7%
1,416,006	Rental income	1,067,500	800,200	800,200	-25.0%	4.6%
619,556	Fees & local income	640,000	600,000	660,000	3.1%	3.8%
126,547	Miscellaneous grants and donations	81,000	358,000	61,000	-24.7%	0.3%
<u>17,783,873</u>	TOTAL INCOME	<u>17,229,300</u>	<u>17,219,000</u>	<u>17,551,821</u>	<u>1.9%</u>	<u>100.0%</u>
	<u>EXPENDITURE</u>					
	<u>Ministry</u>					
6,468,275	Clergy stipends, NI and fees	6,512,139	6,761,599	7,140,728	9.7%	40.0%
1,248,541	Clergy pension contributions	1,378,981	1,219,953	1,332,731	-3.4%	7.5%
3,690,375	Clergy housing ⁽⁴⁾	3,348,467	3,355,730	3,325,747	-0.7%	18.6%
1,003,540	Training - ordination	1,032,800	1,038,088	875,388	-15.2%	4.9%
1,404,065	Training - curates ⁽⁴⁾	1,332,855	1,067,925	1,152,250	-13.6%	6.4%
<u>13,814,796</u>		<u>13,605,243</u>	<u>13,443,295</u>	<u>13,826,844</u>	<u>1.6%</u>	<u>77.4%</u>
	<u>Ministry Support</u>					
478,332	Bishops, ADs, RDs & CMD ⁽⁴⁾	555,957	484,848	648,648	16.7%	3.6%
271,784	First appointment, resettlement and removal grants	293,700	293,700	296,000	0.8%	1.7%
<u>750,116</u>		<u>849,657</u>	<u>778,548</u>	<u>944,648</u>	<u>11.2%</u>	<u>5.3%</u>
	<u>Parish support services</u>					
507,940	Apostolic Life ⁽¹⁾	433,227	425,373	465,382	7.4%	2.6%
33,432	Common Good	13,771	9,915	49,274	257.8%	0.3%
566,363	Diocesan Board of Education	491,079	503,679	588,316	19.8%	3.3%
299,017	Safeguarding	303,506	308,172	386,684	27.4%	2.2%
194,379	Church Buildings and Pastoral Committee	195,232	198,694	186,533	-4.5%	1.0%
195,206	Closed churches ⁽²⁾	0	0	0		0.0%
22,251	Glebe land	10,000	10,000	20,000	100.0%	0.1%
101,396	Communications	97,566	98,555	95,026	-2.6%	0.5%
198,492	Information technology (IT)	246,599	247,494	243,172	-1.4%	1.4%
838,840	General office: Finance, Governance and Administration	849,285	859,373	941,507	10.9%	5.3%
<u>2,957,318</u>		<u>2,640,265</u>	<u>2,661,255</u>	<u>2,975,894</u>	<u>12.7%</u>	<u>16.7%</u>
	<u>National Church</u>					
702,570	National Church responsibilities	737,933	737,933	0		0.0%
<u>702,570</u>		<u>737,933</u>	<u>737,933</u>	<u>0</u>		<u>0.0%</u>
	<u>Other</u> ⁽³⁾					
0	Contingency & exceptional items	120,000	120,000	120,000	0.0%	0.7%
<u>18,224,800</u>	TOTAL EXPENDITURE	<u>17,953,098</u>	<u>17,741,031</u>	<u>17,867,386</u>	<u>-0.5%</u>	<u>100.0%</u>
(440,927)	DEFICIT FOR YEAR (before trf from Restricted Funds)	(723,798)	(522,031)	(315,565)		
	SUBSIDY FROM RESTRICTED FUNDS					
<u>(440,927)</u>	SURPLUS / (DEFICIT) FOR YEAR	<u>(723,798)</u>	<u>(522,031)</u>	<u>(315,565)</u>		

(1) Apostolic Life includes support for lay ministry, children and youth, stewardship and parish resources.

(2) Income and costs relating to closed churches going through the Pastoral Fund from 2025. This takes the costs out of PMC.

(3) Other expenditure excluded from PMC

(4) Housing costs for DBF houses provided to Bishops, ADs and curates in Ministry Support and Training respectively

PARISH MINISTRY COSTS 2026 - TYPES OF POST

Post type	Direct ministry costs				Shared ministry costs				Shared support costs			Total Average Parish Ministry Costs	2024/2025	Change
	Stipend Category	Stipend and NI	Pension	Vacancy factor	Total direct ministry costs	Housing	Next generation: curates & ordinands	Ministry support costs	Total shared ministry costs	Parish support services	National church responsibilities	Total shared support costs		
Full time priest	S	38,548	7,127	-2,735	42,940	13,574	8,628	3,705	25,907	14,499	0	14,499	81,445	2.3%
Light duty/joint post (50%)	0.5	19,274	3,563	-2,735	20,103	13,574	8,628	3,705	25,907	7,249	0	7,249	52,557	1.3%
Light duty/joint post (60%)	0.6	23,129	4,276	-2,735	24,670	13,574	8,628	3,705	25,907	7,249	0	7,249	56,653	2.1%
Light duty/joint post (66%)	0.66	25,441	4,704	-2,735	27,411	13,574	8,628	3,705	25,907	7,249	0	7,249	59,111	2.5%
House for duty	H			-1,367	-1,367	13,574	4,314	3,705	21,593	7,249	0	7,249	27,038	1.6%
Associate vicar	AV	38,074	7,127	-2,735	42,467	13,574	8,628	3,705	25,907			0	64,228	6.5%
Associate vicar (50%)	0.5AV	19,037	3,563	-2,735	19,866	13,574	8,628	3,705	25,907			0	43,498	5.2%
Associate vicar (60%)	0.6AV	22,845	4,276	-2,735	24,386	13,574	8,628	3,705	25,907			0	48,004	4.8%

Unit cost of next generation is split as:

Training curates	3,725
Ordinands	4,903
	<u>8,628</u>

Why do we compare the draft 2026 budget to the 2025 budget?

The reason that we compare the draft 2026 budget to the 2025 budget in this document is because average Parish Ministry Costs are derived from the draft budgets. PMC shows the average indicative cost of providing ministry in a locality and is used to inform Parish Share pledges. By comparing the year on year budgets PCCs are able to see the reasons for the change to PMC. The 2026 budget is based partly on 2023 and 2024 actual and 2025 forecast figures, and partly on a detailed examination of all lines of expenditure. Other financial reports such as management accounts are shared with trustees and committees for decision making purposes.

How does the Diocese of Chichester compare to other dioceses?

There are 41 dioceses in the Church of England. Looking at the most recent published statistics, from 2023, Chichester is:

- the 9th largest in terms of population (1,704,000 people)
- 13th largest in terms of the number of parishes (347) and 12th largest in terms of the number of churches (469)
- has the third largest electoral roll (38,100)
- has the 4th largest worshipping community (42,400).

In terms of the cycle of generous giving:

	Chichester	Average of Guildford/London/Southwark ^a
Average Weekly Giving by Church Members	£ 18.04	£ 25.19
Average Parish Share contributed per Parish	£ 39,350	£ 62,233
PMC for S Post	£ 83,346	£ 94,760
Population per Full Time Equivalent Minister	6,966	7,524

a) Dioceses in the South East who have a comparable Parish Share system

This shows that Chichester:

- deploys 8% **more clergy** per head of population than the comparator dioceses,
- manages to do this at a 7.8% **lower parish ministry cost**,
- parishes contribute on average 37% **less parish share** than other dioceses
- church members give on average 29% **less per week**.

The average weekly giving by church members in Chichester also sits behind much more deprived dioceses such as Sheffield (£19.93) and Birmingham (£18.72).

**This is not sustainable without greater generosity.
Together we need to grow generosity.**

Wise Stewardship – how are financial decisions made by the Diocese?

The Chichester Diocesan Fund and Board of Finance (Incorporated) is the charitable company which holds the financial assets of the Diocese of Chichester. The purpose of the charity is to promote, assist and advance the work of the Church of England in the Diocese of Chichester. We do this by paying and housing the clergy, training the next generation of clergy and providing a range of services for parishes and church schools. This is what is shown in the budget and the financial accounts.

The members of Bishop's Council are the trustees of the charity and they approve the budget before it goes to Diocesan Synod. Bishop's Council delegate detailed financial decision making to the Operating Committee, who rely on diocesan staff to provide reports and information for discussion. The work of the Operating Committee is supplemented by the Assets Committee who provide advice about managing investments and the property portfolio. Together these different bodies of people strive to use the resources of the charity wisely to support the work of our parish churches.

Some useful resources

Some useful resources can be found on the diocesan website, including:

- An animation explaining parish share, a video explaining the impact of giving more than the average PMC and a leaflet offering a simple explanation of how parish share works: <https://www.chichester.anglican.org/parish-share/>
- A guide to the services offered by the team at Church House Hove: <https://www.chichester.anglican.org/parish-support/>
- More detailed budgets and accounts, including the 2024 balance sheet: <https://www.chichester.anglican.org/diocesan-finances/> (the 2026 budget will be uploaded when finalised)

We try to be as transparent and accountable as possible and if there is more you would like to know, please ask.