

2026 – Draft Budget Overview

The attached 2026 Draft Budget provides for a deficit of £288,000, which the Finance Committee is content is an amount that can be drawn if needed from reserves. This reflects a rigorous review of the budget, and has had to include the additional national insurance costs which apply from April 2025. There are two main points on which I would wish to comment this time.

The first is that this year is likely to be a time of substantial change in national funding with implications for all diocesan budgets. Proposals have been under discussion for some months which would involve the setting of a national clergy stipend; a ministry training fund, funded by dioceses in part according to the level of investments each has; other national costs no longer being met by dioceses; and transitional funding to all dioceses to include meeting initially all net additional costs. We expect to hear in June the outcome, and for this to take effect in 2026, but this has not been in time for this budget. The changes will be reflected in the November budget. In the meantime, we would in particular want to reassure Diocesan Synod that we expect the actual stipend increase paid in 2026 (and budgeted for in the final 2026 Budget for consideration in November) to be higher than the 2% provided for in the attached budget, mindful both of inflation estimates now being slightly higher than previously expected, and of the views expressed by Diocesan Synod in November.

The second is that the Budget provides for a further gradual increase in the proportion of requested parish share that is received by the diocese. Prior to Covid we used to receive about 97% of the amount requested. This then fell to 93.2% in 2021, 95.2% in 2022, 94.5% in 2023 and 93.7% in 2024. We are now forecasting an increase to 94% in 2025 and the budget provides for an increase to 94.5% in 2026. We do recognise both the substantial challenge in increasing giving levels, but also believe that there is support for providing the means to fund increases in clergy stipends, staff salaries and other costs (particularly building costs) that recognise inflation. We are also encouraged that parish finance returns show that parish income overall is increasing by a higher rate than the cost of diocesan budgets. We are continuing to provide well-received resources that support clergy and others in preaching on giving and congregations in reviewing their giving as part of their discipleship, and in fundraising. We also have confidence that God provides the resources that are needed to carry out his mission and ministry throughout the diocese and give thanks for all He continues to do among us.

Mark Humphriss

Diocesan Secretary

2026 Budget

Introduction

The budget and forecast process has been put together in stages. Initially a new budget model was built giving better visibility into actual cost run rates for 2023 and 2024 and budget history for 2024 and 2025.

Focus was given to higher cost areas with a view to ensuring that cost run rate is controlled but that the budget will reflect reasonable increases and changes as a result of higher cost of living pressures, increasing energy and building costs and NI increases.

Parish Share was reviewed both with an ongoing look at the ceiling (the maximum increase for a deanery) and floor (the minimum increase) adjustments and the overall impact on deaneries. The ceiling has been reduced to 4% for those deaneries where growth would be higher than 4% with the increase for a deanery not affected by the capping mechanism being at 3%, the level we consulted deanery treasurers on in advance.

The projection is that a deficit will continue for 2026 which is in line with prior year plans and the overall aim to have a free reserve cover of 3 months in line with policy. The draft budget deficit is £288k. It should be noted that this will not include the impact of changes being proposed by the National Church which will only be known in June / July 2025 and will therefore be reflected in the later versions of the budget to be presented in the second half of 2025.

Income

Parish Share has been calculated based on the final expected share from the 2025 allocation (final budget). The share increase after applying the ceiling and cap this year totals 3.3%, the effective rebate due to differentials between cap and floor has been budgeted at £446k. The budgeted under collection for 2026 has been set at 5.5% (a collection rate of 94.5%). The actual collection rate for 2024 was 93.7% and for 2025 we are targeting 94%.

The other major source of income is from the Glebe investments, consisting of rental of properties, deposit income and dividends received. The dividend income received and paid through Unapplied Total Return (UTR) has not been enough to cover the Parish Share relief in past years and this has been topped up by a further contribution from UTR to equal the amount used in the Parish Share calculation to reflect the reality of UTR contribution to Share. The contribution from Glebe has at this stage been inflated from the latest 2025 forecast using 3% inflation assumption: the Finance Committee will review in the autumn whether we can afford to provide as much share support as this on an ongoing basis as the share support is now similar to the level of sustainable UTR income (which would leave very little for the Development Fund and strategic expenditure).

Interest calculated as part of sundry income has been based on having cash reserves of approximately £8m and an underlying interest rate of 3% in 2026.

Parochial Fees have been estimated at £755k for budget 2026 based on the current run rate which is lowering each year over the last few years.

Other stipend support income is down on the 2025 budget due to an anticipated reduction in the amount we can claim for the strategic ministry fund grants for additional curates we have had in recent years. This is due to the curate numbers falling since 2022 and the scheme effectively finishing with our 2023 claim that finishes paying out in 2026.

Expenditure

General approach to forecasting costs: Where possible the cost centre owner has been approached and has been able to put in anticipated cost. Where specific cost has not been available 2023 and 2024 actuals have been reviewed and if appropriate an inflationary increase for budget 2026 have been used. In several cases the budget 2025 had become detached from the underlying cost run rate. In this instance we have taken the decision to re-point budget 2026 to reflect actual levels of spend plus inflation.

Inflation assumption is based on current CPI forecasts. We have used 2% for stipends and salaries but have otherwise used 3% based on the 2025 CPI average increase. The current CPI forecast at the end of February is shown in this table:

CPI Inflation forecast - average

2025	2026	2027	2028	2029	2030
2.58%	2.26%	2.12%	2.07%	2.03%	2.00%

Source: Office of Budget Responsibility

The approach for 2026 has been to assume a 2% increase for both stipends and salaries (2025 3%). There is the likelihood of a further increase for 2026 from the National Church proposals, which would be funded in the early years, and therefore it has seemed to the Finance Committee prudent to only provide in the budget for the sums shown as in aggregate this is expected to deliver sufficient funding.

The number of stipendiary clergy in post has been low recently with a vacancy rate of 45.5 at the end of December 2024. It is expected that this will reduce over the course of 2025 and 2026. Our model forecasts a vacancy average of 30 for 2026 (2025 budget 28).

Curate FTE has been falling but we have assumed only a small reduction in 2026 from the current position.

The major cost change in 2025 and for the first full year in 2026 is the increase in employers NI contributions. The impact is relieved by approximately two thirds by

the clergy pension contribution reduction. The costs are reflected in the 2026 budget but were not part of the 2025 budget as the Chancellor of the Exchequer had not announced the change to NI nor the clergy pension contribution reduction announced at the point of the Budget being submitted for approval by Diocesan Synod.

A vacancy assumption has been included for salaries to represent the time taken to replace leavers. The total has been included as £50k in common with prior year budgets. Headcount has stabilised in recent years and when staff leave, we have often had to cover the gaps with temporary staff.

Pension contributions may accelerate due to the National Church proposals to bring the contribution in line with current year's National Minimum Stipend (NMS) as opposed to being a year behind, however this will at least initially be covered by national funding. We have assumed a 3% rise in NMS in line with our general cost inflation assumption.

Bishops' and Archdeacons' costs total £681k (2025 forecast £656k, 2024 actual £494k). The increases vs 2024 are mostly attributed to the transfer of 3.2 Associate Archdeacons who were previously incorrectly allocated to parochial stipend cost (2026 £146k) plus the impacts of the NI increase as well as a general cost plus inflation assumption. Additional office costs incurred for the set-up of a temporary Bucks area office in Stone in 2024 have not been forecast to continue.

The Bishop / Archdeacon costs are split 50:50 to Ministerial Oversight and Grants and Support for Parish Ministry in line with previous years.

Ministerial oversight and Grants

Made up of four cost centres - Other Parochial Ministry Costs, Grants to Clergy, Bishops Discretionary Funds and Building Grants. These costs have been inflated based on the 2024 spend. 2024 was significantly up on the 2023 spend and these grants should be closely monitored to ensure we are keeping the cost under control.

Pre-ordination Costs

National Church funding costs are pre-set for 2025. Vote 1 is included in this category with votes 2-5 included below. We have increased these in line with the percentage increase from 2024 to 2025 as the costs have not yet been set for 2026. Changes are in the pipeline to these which will be reflected in the final budget in the autumn.

A significant part of M&M: Vocations and DDO is made up of Married / Single Ordinand Grants. The 2024 cost is lower than 2023 and on that basis we have simply inflated the 2024 cost for 2026 budget. Again, these may be revised in the autumn as it is proposed that these costs are in future handled differently.

Ordination and First Appointment Grants has increased vs 2023. The 2025 budget and inflated forecast are similar. We have allowed an inflated forecast to flow for 2026.

Post Ordination & Lay Ministry Training

Categories have been reviewed with the Director of Formation for Ministry to ensure that costs anticipated are included. There have been some reclassifications of cost categories and it now appears that we will not be able to access the national funding to offset the costs of the Learning Hub that we previously assumed, due to us no longer running the Local Ministry Pathway.

Buildings

2026 Budget has been reviewed by the Director of Property and agreement has been made as to levels of spend. This is below the level of 2023 and 2024 actual spend but significantly above the 2025 Budget due to significant increases in the costs of building works, including ongoing compliance.

Council Tax, Water and Insurance have been estimated in line with expected rises.

Rental cost and housing allowances have been forecast by the Director of Property or based on current numbers of stipendiary priests with housing allowance (adjusted for average vacancy movements).

Support for Parish Ministry Cost

Includes 50% Bishop and Archdeacon costs as above.

Mission and Ministry / Communications / DAC & MPC / DTOL governance / Safeguarding / Benefact Trust lines all reviewed with budget holders to give a realistic forecast for budget 2026.

Interest assumptions included in income section.

A decision was taken to only put the cost of the clergy conference into the year when it is expected to be incurred. This is to better match to the actual spend. Previously a budget difference would be created as any funds put to one side to pay for the conference were not put through the SOFA or management accounts.

ODBF admin costs

Cross charges to ODBE and ODST are in this category and have had inflation applied to previous years charges.

We have assumed no pension deficit costs.

Grants Expenditure

Actual numbers included where known or able to model. Otherwise, inflation has been applied from the actuals in 2024 through 2025 forecast and into 2026 budget and compared to anticipated numbers in 2025 budget.

Support Costs

Reviewed with each budget holder to ensure costs are included as required. Reasonableness checks applied to 2024 and 2023 actual results. This has been worked with reference to the 2025 budget with a couple of exceptions where costs are now running at a higher level.

Free Reserves

Despite a deficit for 2024 and forecast deficit for 2025 and 2026 the free reserves should remain at over 3 months cover.

This draft Budget has been approved by the ODBF Finance Committee and Bishop's Council, and the latter commend this draft 2026 Budget to Synod for approval.

**Andrew Green
Director of Finance
May 2025**

	2025 Budget			2026 Budget		
	Costs £'000	Income £'000	Net £'000	Costs £'000	Income £'000	Net £'000
Resourcing Ministry & Mission						
Parochial Stipends	(10,699)	-	(10,699)	(10,608)	-	(10,608)
National Insurance & Apprenticeship Levy	(941)	-	(941)	(1,303)	-	(1,303)
Pension Contributions	(2,343)	-	(2,343)	(2,249)	-	(2,249)
Total Parochial Stipends, NICs & Pensions	(13,983)	-	(13,983)	(14,161)	-	(14,161)
Parochial Fees	-	915	915	-	755	755
Other Income (Contributions to Stipends)	-	64	64	-	74	74
Glebe Costs/Income	(227)	5,797	5,570	(249)	5,978	5,729
Statutory Fees & Other Contributions to Stipends	(227)	6,777	6,550	(249)	6,807	6,558
Bishops & Archdeacons Office Costs	(325)	65	(260)	(390)	68	(322)
Other Parochial Ministry Costs	(200)	-	(200)	(350)	-	(350)
Grants to Clergy	(317)	-	(317)	(435)	-	(435)
Bishops Discretionary Funds	(21)	-	(21)	(21)	-	(21)
Building Grants	(25)	-	(25)	(25)	-	(25)
Ministerial Oversight & Grants	(887)	65	(822)	(1,222)	68	(1,154)
Pre-ordination Costs:-						
National Church - Central Fund for Training	(900)	-	(900)	(913)	-	(913)
M&M: Vocations & DDO	(868)	9	(859)	(779)	10	(769)
Ordination & First Appointment Grants	(122)	-	(122)	(129)	-	(129)
	(1,891)	9	(1,882)	(1,821)	10	(1,811)
Post Ordination & Lay Ministry Training:-						
Lay Learning	(39)	12	(27)	(9)	-	(9)
M&M: Formation for Ministry	(483)	-	(483)	(627)	100	(527)
Total Ministry Training Costs	(2,413)	21	(2,392)	(2,458)	110	(2,348)
Buildings						
Buildings Repairs	(2,142)	-	(2,142)	(2,487)	-	(2,487)
Council Tax, Water, Insurance etc.	(1,693)	-	(1,693)	(1,687)	-	(1,687)
Rental Costs & Housing Allowances	(484)	-	(484)	(522)	-	(522)
Staff Costs & Administration	(403)	-	(403)	(443)	-	(443)
Lettings Costs/Income	(67)	1,071	1,004	(96)	1,400	1,304
Other Buildings Income	(10)	240	230	(24)	136	112
	(4,799)	1,311	(3,488)	(5,260)	1,536	(3,724)
Apportionment of support costs (FTE - not including support posts)	(949)	-	(949)	(1,062)	-	(1,062)
Resourcing Ministry & Mission Total	(23,259)	8,174	(15,085)	(24,410)	8,521	(15,889)
Support for Parish Ministry						
Bishops & Archdeacons Office Costs	(325)	65	(260)	(390)	68	(322)
Mission & Ministry: Management & Support	(296)	1	(295)	(320)	-	(320)
Mission & Ministry: Clergy Conference	(26)	-	(26)	-	-	-
Communications	(307)	20	(287)	(293)	20	(273)
DAC	(222)	1	(221)	(310)	-	(310)
GG	-	-	-	-	-	-
MPC	(87)	-	(87)	(89)	-	(89)
DTOL/Governance & Projects	(16)	-	(16)	(16)	-	(16)
Safeguarding	(540)	-	(540)	(471)	-	(471)
Benefact Trust	-	137	137	-	111	111
Sundry Income	-	74	74	-	278	278
ODBF Admin	(119)	197	79	(85)	225	141
Apportionment of support costs (FTE - not including support posts)	(892)	-	(892)	(998)	-	(998)
Support for Parish Ministry Total	(2,830)	495	(2,335)	(2,971)	702	(2,269)
National Church Costs (Votes 2-5)	(1,102)	-	(1,102)	(1,137)	-	(1,137)
Grants						
Development fund	-	-	-	-	-	-
Board of Education Grant	(300)	-	(300)	(309)	-	(309)
University appointments & Ecumenical Grant	(77)	-	(77)	(88)	-	(88)
Grants: PACT & ODCD	(102)	-	(102)	(57)	-	(57)
Partnership in World Mission	(73)	-	(73)	(74)	-	(74)
Other CV Projects	-	-	-	-	-	-
Mutual Support Grants	-	-	-	-	-	-
Apportionment of support costs (FTE - not including support posts)	(57)	-	(57)	(64)	-	(64)
Grants Expenditure Total	(610)	-	(610)	(592)	-	(592)
Support Costs (Memo Only)						
Secretariat	(255)	5	(250)	(290)	5	(285)
Finance	(398)	-	(398)	(449)	-	(449)
HR	(396)	-	(396)	(440)	-	(440)
Governance Costs	(266)	-	(266)	(262)	-	(262)
ICT	(251)	11	(240)	(331)	11	(320)
Church House Facilities	(358)	10	(348)	(379)	12	(368)
Support Costs Total	(1,923)	26	(1,897)	(2,151)	28	(2,123)
Support Costs (Apportioned to Key Budget Heads)	1,897	-	1,897	2,123	-	2,123
	(26)	26	-	(28)	28	-
Parish Share						
Parish Share Requested	-	20,832	20,832	-	21,449	21,449
Anticipated Under Collection	-	(1,250)	(1,250)	-	(1,180)	(1,180)
Prior Year Share Receipts	-	-	-	-	-	-
Rebates	-	(509)	(509)	-	(404)	(404)
Net Parish Share	-	19,073	19,073	-	19,865	19,865
Vacancy & Absence Provision	(250)	-	(250)	(250)	(16)	(266)
Adjusted Parish Share	(250)	19,073	18,823	(250)	19,849	19,599
Core Budget (Deficit)/Surplus	(28,077)	27,767	(310)	(29,388)	29,100	(288)

Key Assumptions:	2025	2026
Annual increase in Parish Share on prior year	3.00%	3.00%
Stipendiary clergy & layworkers posts	303.40	302.72
Average clergy vacancies (from stipends sheet)	30	30
Curates in training - expected average nos	56.00	49.10
Stipend increase from 1 April each year	3.00%	2.00%
NMS inflation	7.00%	3.00%
Salary cost increase from 1 Sept each year	3.00%	2.00%
General inflation assumption	2.00%	3.00%
Clergy pension contribution rate (from 1st April)	25.00%	22.00%
Share capping ceiling	5.00%	4.00%
Share capping floor	0.00%	0.00%
Anticipated share under collection rate	6.00%	5.50%

2026 Parish Share Allocation - Draft

1. Costs of Ministry										2. Vacancy Savings (minus)		3. Training Costs (plus)		4. Statutory Fees Reimbursed (minus)		5. Distribution of Glebe (minus)		Net Ministry Cost			
Ministry costs for posts financially supported by the Diocese								Gross Ministry Cost													
Final stipendiary posts as per 2025 allocation and confirmed amendments to 31/03/25										Archdeaconry Posts		Total stipendiary cost		House for Duty							
										Stipendiary Ministry FTE		Proportion of Vacancy Savings				FTE (incl. LSP, SSM, LLM)		Proportion of Training Costs			

				6. Support Costs (plus)		7. Community Support Allowance (minus)				8. Diocesan Support Allowance (minus)		2026 Share Allocation after support costs and allowances		Increase / (decrease) in 2025 - 2026 Share Allocation before capping		Prior year allocation - 2025 revised		Transitional adjustment				
Electoral Roll average		October Weekly Attendance average		Ability to pay based on IMD Income Score		Membership proportion x Ability to pay		National and Diocesan Support Costs										Capping				
Average	Diocesan Proportion	Average	Diocesan Proportion	Deanery Average Value	Electoral Roll	OSA	Electoral roll 50%/ OSA 50%	Allocation of Support Costs		Total Glebe Allocation								Minimum	Maximum	Allocated	Capping	
%	%	%	%		50%	50%		%	£	£	£	£100,000	£	£	£	£	£					
1,186	2.6%	790	2.7%	8.70	593	395	0.4597	1.43%	99,286	160,739	267,804	30,000	543,504	6.6%	509,700			509,700	530,088	543,504	(13,416)	
2,770	6.1%	3,411	11.5%	19.16	1385	1706	3.3734	10.52%	728,527	125,228	250,735		1,497,181	15.6%	1,295,445			1,295,445	1,347,263	1,497,181	(149,918)	
3,956	8.8%	4,201	14.1%		1,978	2,101	3.8331	11.95%	827,813	285,967	518,539	30,000	2,040,685	13.0%	1,805,145					2,040,685	(163,334)	
2,244	5.0%	1,007	3.4%	14.58	1122	504	1.2192	3.80%	263,303	1,601	84,590		744,194	2.8%	724,158			724,158	753,124	744,194	-	
1,222	2.7%	619	2.1%	17.68	611	310	0.8471	2.64%	182,935	62,129	138,768		582,172	-3.9%	605,686			605,686	629,913	582,172	23,514	
2,215	4.9%	1,424	4.8%	16.59	1108	712	1.6086	5.02%	347,404	43,754	152,849		1,116,912	4.1%	1,073,166			1,073,166	1,116,093	1,116,912	(819)	
2,103	4.7%	1,257	4.2%	14.35	1052	629	1.2751	3.98%	275,369	84,893	213,988		954,687	3.8%	919,730			919,730	956,519	954,687	-	
2,983	6.6%	2,356	7.9%	10.93	1492	1178	1.5882	4.95%	342,987	227,140	467,910	10,000	1,555,010	5.5%	1,473,377			1,473,377	1,532,312	1,555,010	(22,698)	
2,458	5.5%	1,361	4.6%	22.63	1229	681	2.2683	7.07%	489,870	10,305	124,438		1,171,215	4.7%	1,119,066			1,119,066	1,163,829	1,171,215	(7,386)	
13,225	29.3%	8,024	27.0%		6,613	4,012	8.8064	27.46%	1,901,867	409,822	1,182,543	10,000	6,124,189	3.5%	5,915,183					6,124,189	(7,389)	
3,283	7.3%	1,648	5.5%	18.61	1642	824	2.3854	7.44%	515,157	-	158,273		1,488,029	0.4%	1,482,638			1,482,638	1,541,944	1,488,029	-	
1,637	3.6%	1,250	4.2%	12.66	819	625	0.9912	3.09%	214,059	72,799	193,831		905,681	4.6%	865,877			865,877	900,512	905,681	(5,169)	
759	1.7%	560	1.9%	17.12	380	280	0.6103	1.90%	131,808	84,683	131,234		323,410	7.7%	300,328			300,328	312,341	323,410	(11,069)	
1,658	3.7%	939	3.9%	9.18	829	470	0.6269	1.96%	135,398	187,006	334,411	15,000	858,807	4.8%	819,479			819,479	852,258	858,807	(6,549)	
809	1.8%	517	1.7%	19.62	405	259	0.6929	2.16%	149,644	26,576	76,749		445,708	27.3%	350,252			350,252	364,262	445,708	(81,445)	
1,459	3.2%	1,118	3.8%	8.40	730	559	0.5874	1.83%	126,854	246,515	359,988		700,118	1.5%	561,682			561,682	584,149	570,118	-	
620	1.4%	363	1.2%	19.38	310	182	0.5028	1.57%	108,596	24,729	71,280	30,000	368,									

2026 Parish Share Allocation - Draft

	2026 Net share payable after capping	Increase / (decrease) in 2025 - 2026 Share Allocation	
Deanery			
	£	£	%
Oxford Archdeaconry			
Cowley	530,088	20,388	4.0%
Oxford	1,347,263	51,818	4.0%
	1,877,351	72,206	4.0%
Berks Archdeaconry			
Bracknell	744,194	20,036	2.8%
Bradfield	605,686	-	0.0%
Maidenhead and Windsor	1,116,093	42,927	4.0%
Newbury	954,687	34,957	3.8%
Reading	1,532,312	58,935	4.0%
Sonning	1,163,829	44,763	4.0%
	6,116,800	201,617	3.4%
Bucks Archdeaconry			
Amersham	1,488,209	5,571	0.4%
Aylesbury	900,512	34,635	4.0%
Buckingham	312,341	12,013	4.0%
Burnham and Slough	852,258	32,779	4.0%
Claydon	364,262	14,010	4.0%
Milton Keynes	570,118	8,436	1.5%
Mursley	338,769	13,030	4.0%
Newport	336,028	-	0.0%
Wendover	558,652	19,912	3.7%
Wycombe	1,295,935	49,844	4.0%
	7,017,083	190,229	2.8%
Dorchester Archdeaconry			
Abingdon	881,804	15,010	1.7%
Aston and Cuddesdon	1,012,147	38,929	4.0%
Bicester and Islip	443,017	17,039	4.0%
Chipping Norton	435,725	16,759	4.0%
Deddington	520,203	20,008	4.0%
Henley	699,708	16,863	2.5%
Vale of White Horse	340,857	13,110	4.0%
Wallingford	573,782	22,069	4.0%
Wantage	326,545	8,799	2.8%
Witney	701,083	24,320	3.6%
Woodstock	503,171	19,353	4.0%
	6,438,040	212,257	3.4%
OXFORD DIOCESE	21,449,274	676,309	3.3%