



— Diocese of —
Hereford

Proclaiming Christ ✦ Growing Disciples

2026 Budget briefing

Diocesan Synod



*Welcome and thank you for joining ...
... a second budget briefing in one day!*



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A sense of déjà vu?

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Proclaiming Christ ✨ Growing Disciples

What happened to the break-even budget?!



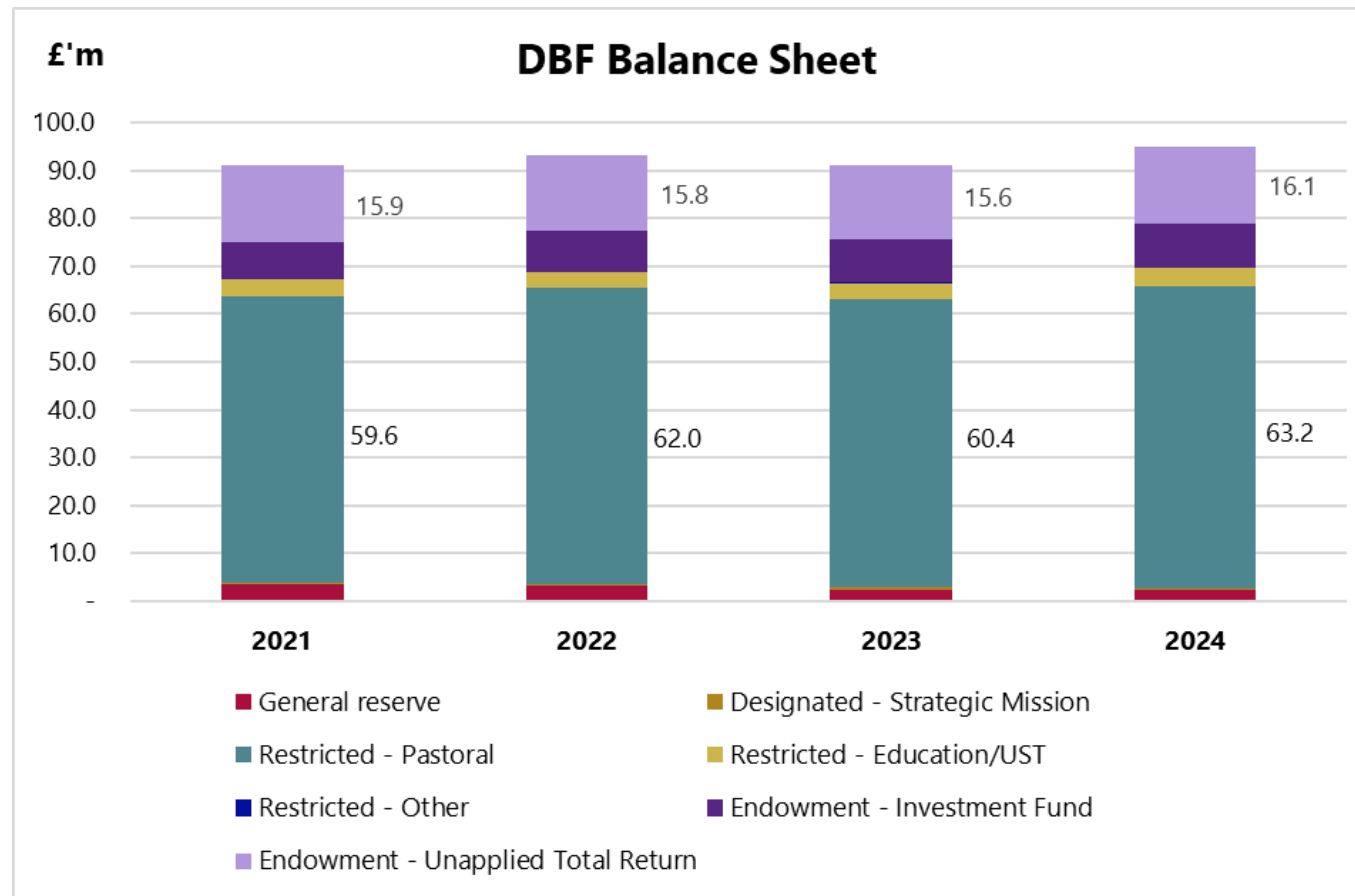
We continue to prioritise parish ministry, but boosting income and keeping costs under control needs to be our shared endeavour.



DBF Balance Sheet

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✓ The DBF's balance sheet remains healthy, though at December 2024 only £2.3m (2.3%) was represented by unrestricted General reserve



Roadshow 'myth busting'

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- ❖ **The diocese is wealthy** – yes, DBF balance sheet is healthy but >£60m in property assets, mainly clergy housing, and ~£16m available in Stipends Fund, an endowment fund to last...
- ❖ **Hereford is a 'black hole'** – parishes contribute £millions and get nothing back. *Not true!* Parish Offer contributions remain the primary way we resource parish ministry.
- ❖ **Hereford has too many central staff.** *We think not.* 22 funded through external grants or deployed in parishes. 28 in central team – many of these roles are not optional in C of E.
- ❖ **Senior clergy deliberately keep benefices vacant.** *Not true!* We seek to fill every vacancy promptly, but recruitment is not easy and can take multiple attempts.



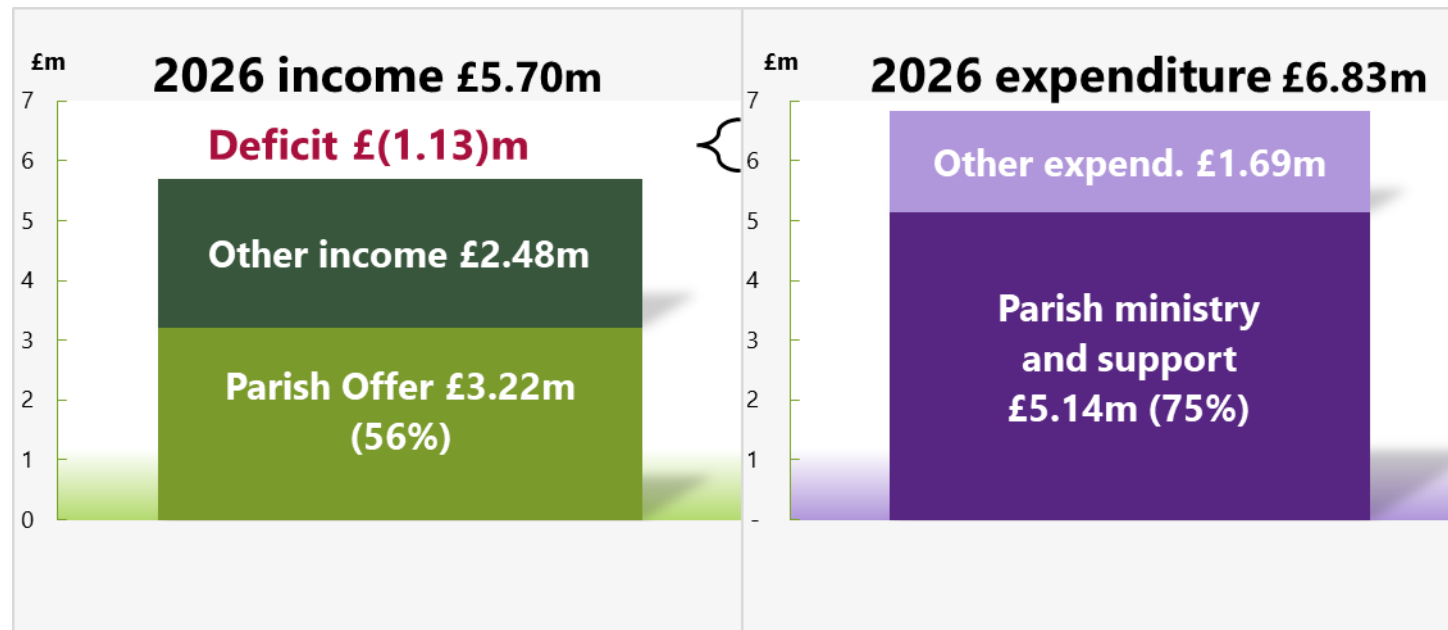
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2026 Profit & Loss headlines

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❖ **2026 operating deficit £(1.13)m**, similar to 2025 ...

Income +£0.16m compared to 2025, but offset by similar increase in expenditure.



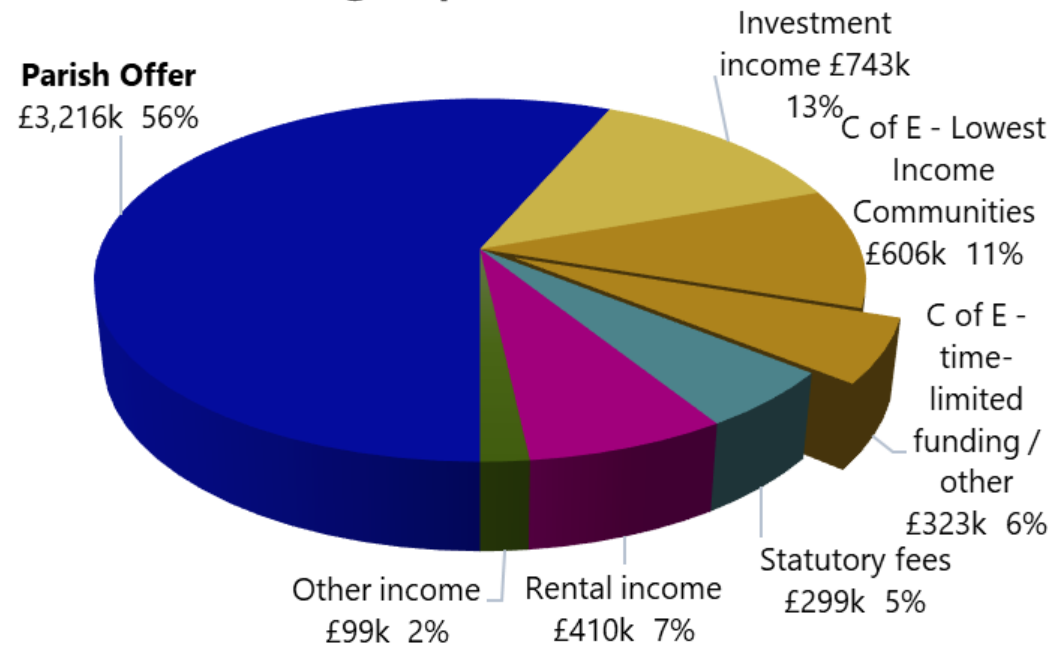
+8.9% increase in incumbent stipends from April 2026 to align to new National Stipends Benchmark



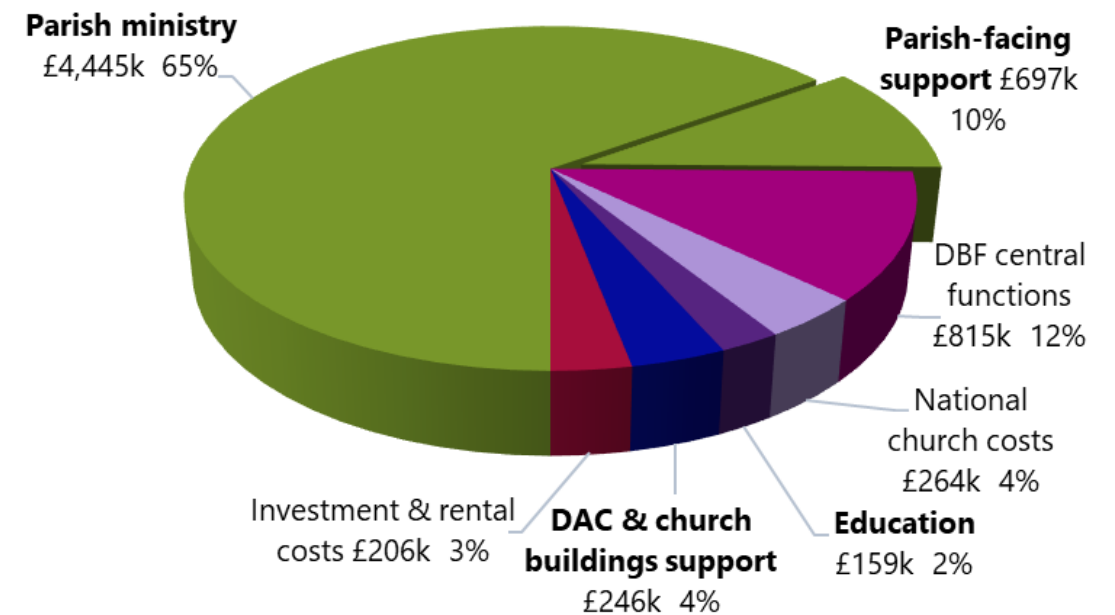
2026 Income & expenditure

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2026 Budget | Income £5,696k



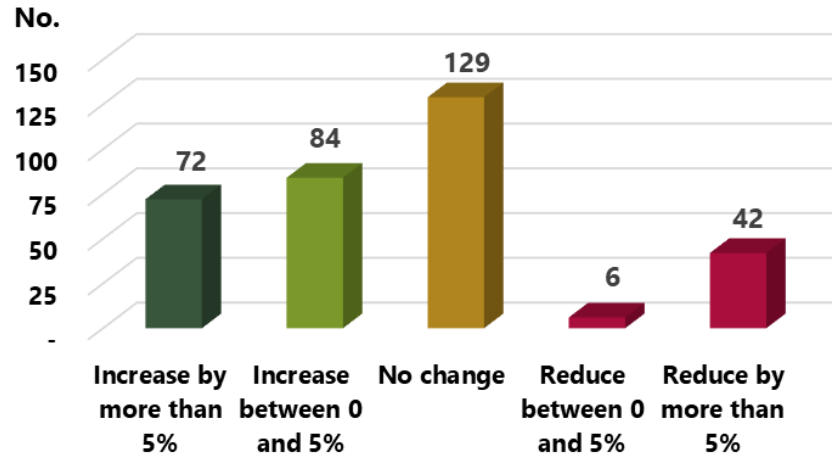
2026 Budget | Expenditure £6,832k



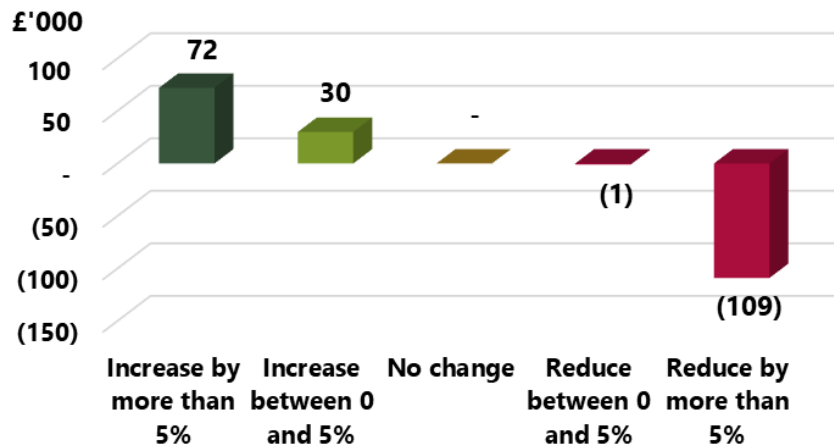
2026 Parish Offer

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Parish Offers 2026 (# of submissions)



Change in Parish Offer 2025-2026 (£'000)



£3.2m Parish Offer

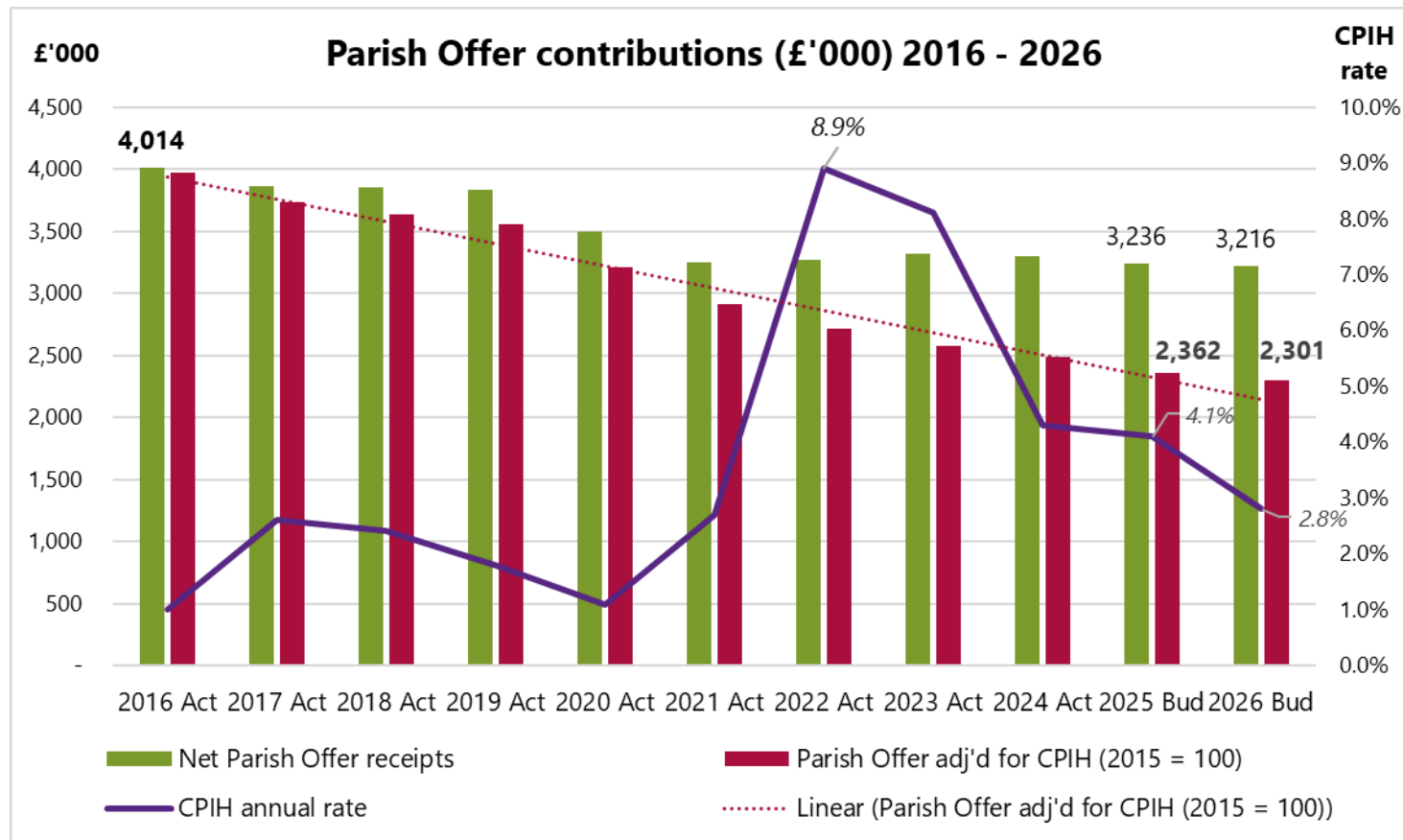
- **46%** of parishes plan to contribute more in 2026
- **38%** no change vs. 2024
- **14%** reducing Offers



2026 Parish Offer

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➤ Real value of Parish Offer has continued its downward trend



-£1.7m or -43%
reduction in total
Parish Offers when
adjusted for CPIH
measure of inflation
since start of 2016.



What can we do differently?

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PCCs



8 TOP TIPS TO
ENERGISE PCC FINANCES

-  **Encourage** congregation to give regularly and visitors to donate in non-cash ways via Parish Giving Scheme, contactless, QR codes.
-  **Nurture** core supporters by saying thank you annually; explain the impact of their donations on the church's mission and outreach.
-  **Enhance** donations with Gift Aid – and claim Gift Aid & Gift Aid Small Donations Scheme (GASDS) every 3-6 months.
-  **Re-set** the PCC's reserves policy – explain if holding >12 months' expenditure cover.
-  **Generate** new sources of funds - create and share a legacy policy.
-  **Implement** online banking for PCC's current account, and rationalise other accounts to minimise bank charges.
-  **Simplify** book-keeping and ensure compliant year-end accounts with MyFundAccounting.Online software (£5/month via DBF).
-  **Explore** opportunities to save on energy and insurance costs with Parish Buying, and progress your NetZero Carbon by 2030 journey.

www.hereford.anglican.org/finance

DBF

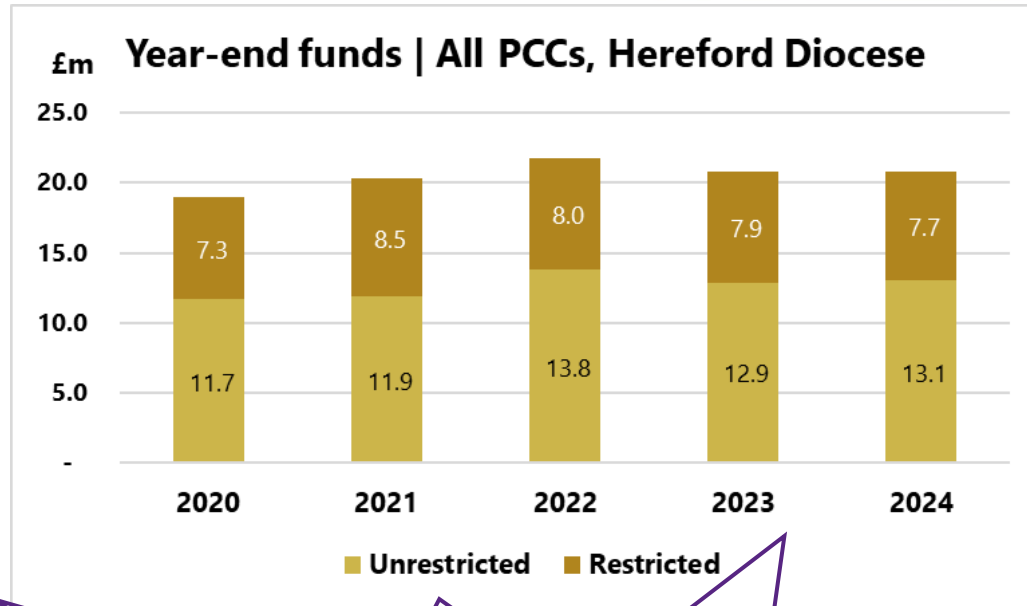
- ✓ Zero-based budgeting in 2026 (for 2027)
- ✓ Communicate regularly about positive impact of mission & ministry and current financial need
- ✓ Follow up 'Hereford motion'
- ✓ Adopt medium-term financial strategy / plan alongside clergy deployment plan
- ✓ Explore asset (re-)allocation options
- ✓ Continue to share best practice and good news
- ✓ Promote parish, benefice and deanery collaboration



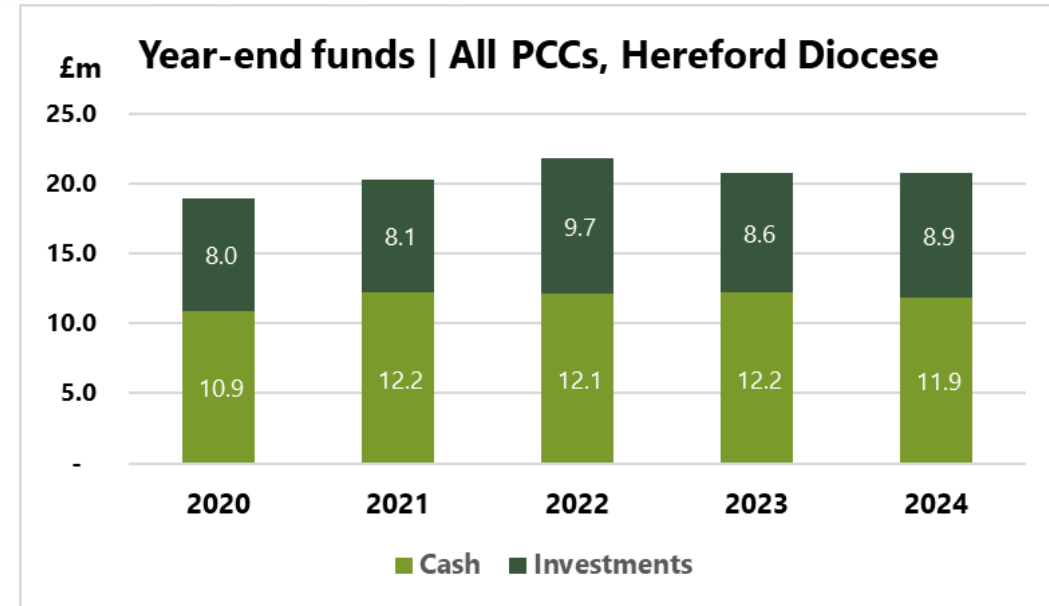
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Parish reserves

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2024
£20.8m PCC reserves
£13.0m (63%) unrestricted
£11.8m (57%) in cash



2024

145 (40% of) churches held **>34 months'** expenditure cover

➔ Opportunity to review PCC reserves' policies



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Funding strategic mission

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- Bishop's Council maintaining support for parish and deanery initiatives with >£520k investment planned for 2026

CONTINUING / NEW PROJECTS

Rural Church Missioners

Youth Hubs Project pilot: Bishop's Castle, Leominster – and looking to expand

2 Lifelink Chaplains in Hereford

LifeLink Chaplain in Ross-on-Wye

Abbeydore, and Staunton & Weobley mission coordinators

Funerals pilot – Hereford City deanery

Ledbury ecumenical support (LEAF)

Craven Arms Pioneer Priest

Pioneer planned for Ludlow

'Mustard Seed' funding in multiple locations



Looking to our Year of Celebration

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Diocese of Hereford

- ❖ Pray
- ❖ Plan
- ❖ Partner



Working together
across our churches

sharing God's love

seeing His Kingdom grow

Questions & comments

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