The Diocese of Southwark

DS(26)27

DIOCESAN SYNOD

Budget 2027

The Chair of the DBF to move that the consolidated budget for 2027 now be considered and that: *"THIS SYNOD approve the total 2027 budgeted expenditure of £30,164,406 which is based on total budgeted income of £30,158.678"*

1. The Diocesan Council of Trustees unanimously approved this budget for presentation to Synod at its meeting on 17 October 2026. The Policy and Finance Committee in September has also scrutinised the budget and unanimously recommended it to the Diocesan Council of Trustees.
2. The budget is balanced, and the assumptions for income and expenditure are as follows.

PSF

3. Given the pledges received to date we are budgeting that the overall increase in PSF will be 3%.
4. This increase is based on the fact that at the time of writing, 79% of parishes have pledged, which amounts to £15.5m of the budgeted £17.2m. To date, of parishes that have pledged:
    - 70% have offered an increase of 3% or more
    - 30% have offered an increase of 7.5% or more
    - 13% have held their pledges at 2026 levels
    - 5% have decreased their pledge

5. With a draft budget assumption of a 3% increase in PSF, the budget out-turn implications of a variance from this are set out below.

Variance from Budget	Pledge Increase	Pledge	Budget Out-turn
		£	£
(1.50)%	1.50%	16,902,204	(255,515)
(1.00)%	2.00%	16,985,466	(172,253)
(0.50)%	2.50%	17,068,728	(88,991)
0.00%	3.00%	17,151,990	(5,729)
0.50%	3.50%	17,235,252	77,533
1.00%	4.00%	17,318,514	160,795
1.50%	4.00%	17,401,776	244,057

Parochial Fees

6. We have budgeted no increase in parochial fees. There will be a CPI increase in fees set by the National Church, but we are behind budget of fee income as at the third quarter of 2026. The CPI increase should help increase income in 2027, assuming there is no reduction in the number of weddings and funerals.

Grants

7. Grants received include the expected Strategic Development, Diocesan Investment Programme, and other grants from Archbishops' Council/Church Commissioners.
8. Our other two main external grant givers have both indicated that they will be reducing their grants to us in 2027. Benefact/All Churches Trust is reducing its grant to dioceses annually over the coming years, to nearly eliminate it. Trust for London are moving investment assets that would have distributed income to dioceses to a new reparations fund similar to that proposed by the Church Commissioners.

Investment Income

9. Investment income remains broadly flat, based on current returns, but bank interest income has been reduced given the low levels of cash held.

Property Income

10. We have assumed a 2.5% increase in property income, when we rent out properties or renew leases. The demand for rental properties remains good.

Other Income

The small increase in other income represents stipend recharges to parishes for additional priests, reflecting an increase in the stipend rate. The remaining income remains static.

Transitional Funding

The transitional funding from the National Church is tapered, with a reduction from the 2026 level. There are further reductions in subsequent years.

Clergy Costs

We have budgeted a 3% increase in stipend from April 2027. This is based on the April 2026 CPIH figure which the National Church will use to recommend the stipend level.

The clergy cost figure includes a cost reduction of £0.5m from the area plans that Archdeacons have worked through for 2027. This represents a reduction in clergy costs of 3.75%. The stipend increases offsets some of these savings to give a net reduction in clergy costs of £0.1m.

Departmental Costs

We have assumed a 3% increase in DBF staff salaries. The staffing at Trinity House has been reviewed and the budget assumes that a decrease in staff numbers will save £0.4m. This is a reduction in the overall staffing budget of 8%. We have not included any inflationary increase to non staff budgets which will result in a real terms tightening. The Welcare grant is reduced for the second year by half to £57,000.

Board of Education

We have assumed no increase in the grant.

Ministerial Training Fund

We have been informed by the National Church of our contribution to the Ministerial Training Fund for 2027, which is a £0.3m increase in cost.

Property Gain

Reduced to £2.4m from £2.8m in 2026, as we move away from relying on property transactions to cover an operating deficit.

The Diocese of Southwark
Budget 2027

	2027 Budget	*2026 Budget*
Incoming Resources		
Parish Share	17,151,990	*16,652,417*
Parochial Fees	401,281	*401,281*
Grants received	6,206,976	*6,080,780*
Investment Income	1,196,574	*1,212,187*
Property Income	977,456	*953,615*
Other income	1,167,289	*1,142,833*
Transitional Funding	657,112	*781,616*
Total Incoming resources before property gain/(loss)	27,758,678	*27,224,731*
Resouces Expended		
Clergy Costs	14,271,512	*14,404,285*
Property Costs	4,021,814	*4,077,333*
Vocations and Clergy Formation	291,400	*365,762*
Ministry & Discipleship	420,333	*511,529*
Wychcroft	320,506	*318,570*
Mission, Pioneering Ministry and JPIC	565,573	*753,544*
Strategic Development	1,094,460	*1,741,714*
Diocesan Investment Programme	2,533,008	*1,612,042*
Area Mission & Office Costs	707,968	*691,881*
Safeguarding	617,278	*590,935*
Communications	236,552	*361,109*
Office buildings	373,192	*378,971*
IT	525,939	*516,076*
Administration	2,251,015	*2,136,175*
Human Resources	247,688	*217,739*
Board of Education	357,412	*376,705*
Ministerial Training Fund	1,328,757	*1,003,718*
	-	-
	30,164,406	*30,058,087*
Surplus (Deficit) before property gain/(loss)	(2,405,729)	(2,833,357)
Property gain/(loss)	2,400,000	*2,800,000*
Surplus (Deficit)	(5,729)	(33,357)

11. The Chair of the DBF to move that the consolidated budget for 2027 now be considered and that:

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