



The Church of England
Diocese of Ely

ely2025

Ely2025

Programme 2026-28

and

Budget Guide 2026

Explanatory Notes

People Fully Alive: Ely2025

Dear Colleagues

We are pleased to be able to provide you with papers setting out the approved Diocesan Budget for 2026 and the supporting information and notes.

The 2026 budget was set in a period which has seen the National Church conclude a National Diocesan Finances Review. The results of which has seen significant changes to the manner in which funding flows between the Central bodies and individual dioceses and also the announcement of funding arrangements for the period 2026-2028 by the National Triennium Funding Working Group. Sadly, as a result of the National Funding Review, Ely can expect to receive less funds from the centre and access to some grant funding in the coming triennium will be restricted. One key point arising out of the Funding review is that all dioceses, including Ely, will receive support from the centre to transition into the new arrangements. That support starts in 2026.

It is not acceptable that a restriction in access to funding stifles the Mission ambitions of the Diocese, having key mission priorities to achieve. In pursuit of these, the Bishops' Council have authorised projects in pursuit of these priorities and have identified funding within our reserves that can be released to support these.

The 2025 outturn has been rebased due to the changes forced on us by the increases in Employer's National Insurance contributions. It is now forecast to be a deficit of £504k.

The 2026 budget proposes an outturn of a deficit of £157k. This comprises a budgeted operating deficit of £649k but this deficit is supported by Mitigation Funds of £492k from the Church Commissioners. This support helps with the additional costs from both external factors and the Diocesan Finances Review (DFR) by the National Church. These include (i) increases in National Insurance contributions; (ii) a significant increase in clergy stipends of 10.7%; and (iii) the contribution to the new national Ministry Training Fund (MTF). The intention is to give dioceses some breathing space to get their finances back onto a sustainable basis over the next few years.

The 2026 budgeted figure is calculated to reflect a 10.70% increase in stipends, in line with the Archbishops Council recommendations. This increase restores a standard incumbent stipend back to 2011/12 levels. Despite the consequential additional stipendiary costs, the Diocese is proposing to contain the increase in ministry share to 4.0% for 2026 reflecting only the inflationary element of the increase.

We continue to work hard on maximising our glebe and investment income to ensure that the majority of overheads do not at present need to be met from ministry share. The 2026 budget maintains the current level of stipendiary clergy posts.

Our medium-term intention is to return to a financially balanced budget. We are preparing budgets on a rolling three-year cycle, alongside the forecast direction of travel for up to 5 years. Our current projections indicate that Central Church support will help to mitigate forecast deficits until approximately 2030. Within this period, we expect to identify and implement strategies to return the annual budget to once again be in balance.

We hope that you find the following pages informative and our personal thanks for your ongoing support to our Diocese.

Jon Green
Interim Diocesan Secretary

September 2025

Ely Diocesan Vision

We pray to be generous and visible people of Jesus Christ.

Believing that God calls us to discover together his transforming presence in our lives and in every community, in Jesus Christ we pray:

To engage fully and courageously with the needs of our communities, locally and globally

To grow God's church by finding disciples and nurturing leaders

To deepen our commitment to God through word, worship and prayer

Ely2025: Levers of Change

Lever 1 NURTURE a confident people of God

Lever 2 DEVELOP healthy churches and leaders

Lever 3 SERVE the community

Lever 4 RE-IMAGINE our buildings

Lever 5 TARGET support to key areas

*People Fully Alive : Ely2025
A strategy for growth (September 2015)*

People Fully Alive : Ely2025

Budget 2026

Key Points

- Our overall **strategic financial objective** for 2026 is achieve a near balanced budget with a forecast deficit of only £157k. In 2026 this comprises a forecast deficit of £649k which has been offset by Support Funds of £492k from the Church Commissioners. These funds have been made available to the Diocese to offset the additional costs imposed by (i) increases in National Insurance contributions; (ii) a significant increase in clergy stipends; and (iii) the contribution to the new Ministry Training Fund (MTF). The MTF has been introduced by the National Church following the Diocesan Finances Review (DFR) they carried out. The MTF contribution replaces the apportionment and ordinand maintenance grant payments Ely paid previously. Our main assumptions for the construct of the 2026 Budget are set out below (and on page 9 in greater detail)
- **Ministry share** for 2026 is expected to cover 89% of clergy costs for existing clergy and curates. Investment income normally covers the balance of direct clergy posts and 100% of the office running costs, but is not expected to contribute to the costs of education which are separately funded. In 2026, investment income is anticipated to improve slightly due to surpluses on sales of Glebe Land which are planned to be invested in capital to increase the levels of investment income received.
- **Overall ministry share increase of only 4.0%** for 2026 is being requested, although clergy stipends are being increased by 10.7% in 2026 as recommended by Church House. The 4% request balances the inflationary element for 2026, and the balance of the stipend increase reflects the one-off 'catch up to restore stipends to 2011/12 levels.
- The budgeted cost of a full-time clergy post to the Diocese for 2026 is £97,645, comprising the stipend, employer's national insurance, clergy pension contributions and housing costs, together with clergy ministry and mission support costs, plus a share of overheads.

Clergy Post Costs 2026	Full stipend	Half stipend	House for Duty	
Stipend	34,089	17,045	-	
NIC	4,363	1,807		
Pension	7,293	3,646		
	45,745	22,498	-	
Housing	14,076	14,076	14,076	
	59,821	36,574	14,076	
Wider Ministry	26,034	26,034	26,034	
Investing in the Future	11,790	11,790	11,790	
FULL COST OF CLERGY POST	97,645	74,398	51,900	
SUPPORT *see below				
Wider Ministry (up to 33%)	(8,591)	(8,591)	(8,591)	
Investing in the Future (up to 100%)	(11,790)	(11,790)	(11,790)	
SUPPORTED COST OF CLERGY POST	77,264	54,016	31,519	

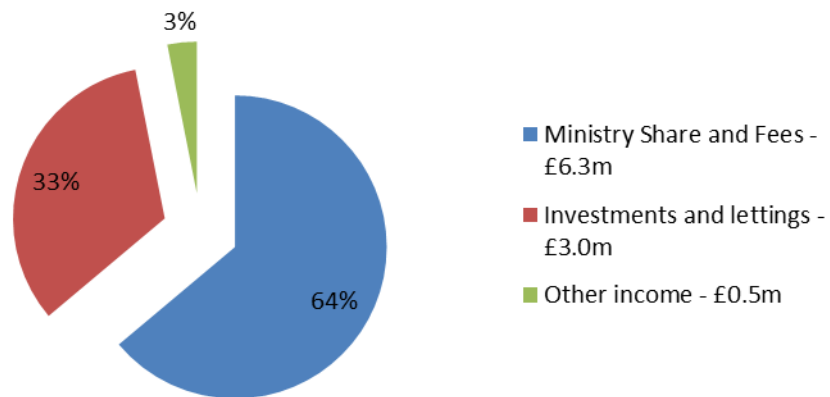
** When calculating the ministry share, every post is allocated a share of the investment income by reducing the charges for wider ministry costs and investing in the future. However, there are several deaneries that exercise Christian generosity and seek a lesser share of this income.*

EDBF BUDGET 2026				
4% Parish Share Increase	2026	2025	2024	2023
10.7% Stipend Increase/4% Salary Increase	Budget for year	Budget for year	Actual for year	Actual for year
EXPENDITURE				
Clergy stipends	4,434,199	4,104,956	3,768,812	3,462,161
Curates exc. housing	845,602	931,798	1,004,141	899,809
Housing costs	1,542,956	1,521,598	1,436,778	1,774,634
Clergy other	208,903	205,019	232,422	204,120
	7,031,660	6,763,371	6,442,153	6,340,724
Archdeacons	180,675	177,737	178,208	157,124
Mission & Ministry	670,635	683,319	550,071	653,640
Comms	128,959	128,865	136,495	125,642
Education (net cost)	156,881	135,359	76,171	125,643
DDO & Vocations	118,943	128,429	102,721	63,858
Ministry Training Fund	662,657	150,000	116,043	119,892
Safeguarding	306,239	259,820	253,394	226,723
Registry, DAC & Legal costs	443,742	406,527	386,908	348,568
IT & Office running costs	452,926	408,476	460,050	328,636
Project Office	25,044	45,187	31,479	29,219
Strategy & Giving	110,588	150,246	118,371	43,252
Admin salaries	489,294	458,887	382,498	361,398
National Church	0	621,609	592,009	586,146
	10,778,244	10,517,834	9,826,570	9,510,466
INCOME				
Parochial Fees	300,000	300,000	258,307	295,544
Investment income	3,083,358	3,029,153	2,662,373	2,952,634
Donations and Grants	117,736	180,540	109,973	90,700
Letting income	300,000	275,000	317,059	262,852
Other income (inc. DFR)	580,913	132,380	217,284	223,208
	4,382,007	3,917,072	3,564,995	3,824,938
Surplus of expenditure over income	6,396,237	6,600,761	6,261,575	5,684,453
MINISTRY SHARE INCOME				
Ministry Share request	6,515,464	6,390,106	6,120,594	6,025,270
DDR Discount	(154,645)	(164,429)	(142,477)	(144,890)
Deanery Discount	(121,463)	(128,652)	(105,401)	(109,395)
	6,239,356	6,097,024	5,872,716	5,770,985
NET SURPLUS/(DEFICIT) FOR YEAR	(156,881)	(503,737)	(388,859)	86,532
Forecast stipendiary clergy numbers				
Stipendiary clergy fte posts	105.4	106.4	104.0	104.0
Stipendiary clergy fte budget	96.0	96.0	95.7	94.3
Stipendiary Curates fte	18.5	22.5	25.0	23.3

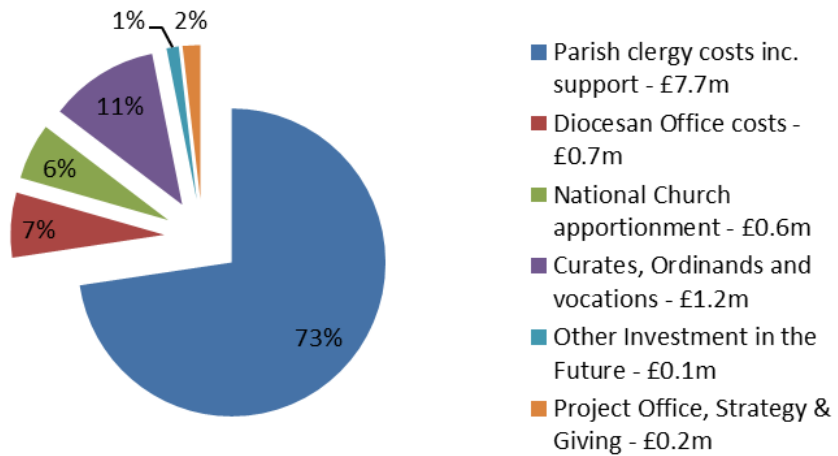
- The 2025 budget now shows a large deficit as it has been reforecast to include the effect of the increases in employers' National Insurance Contributions arising from the Government's 2024 Autumn Budget. The original 2025 budget was for a deficit of £204k.

2025 Budget

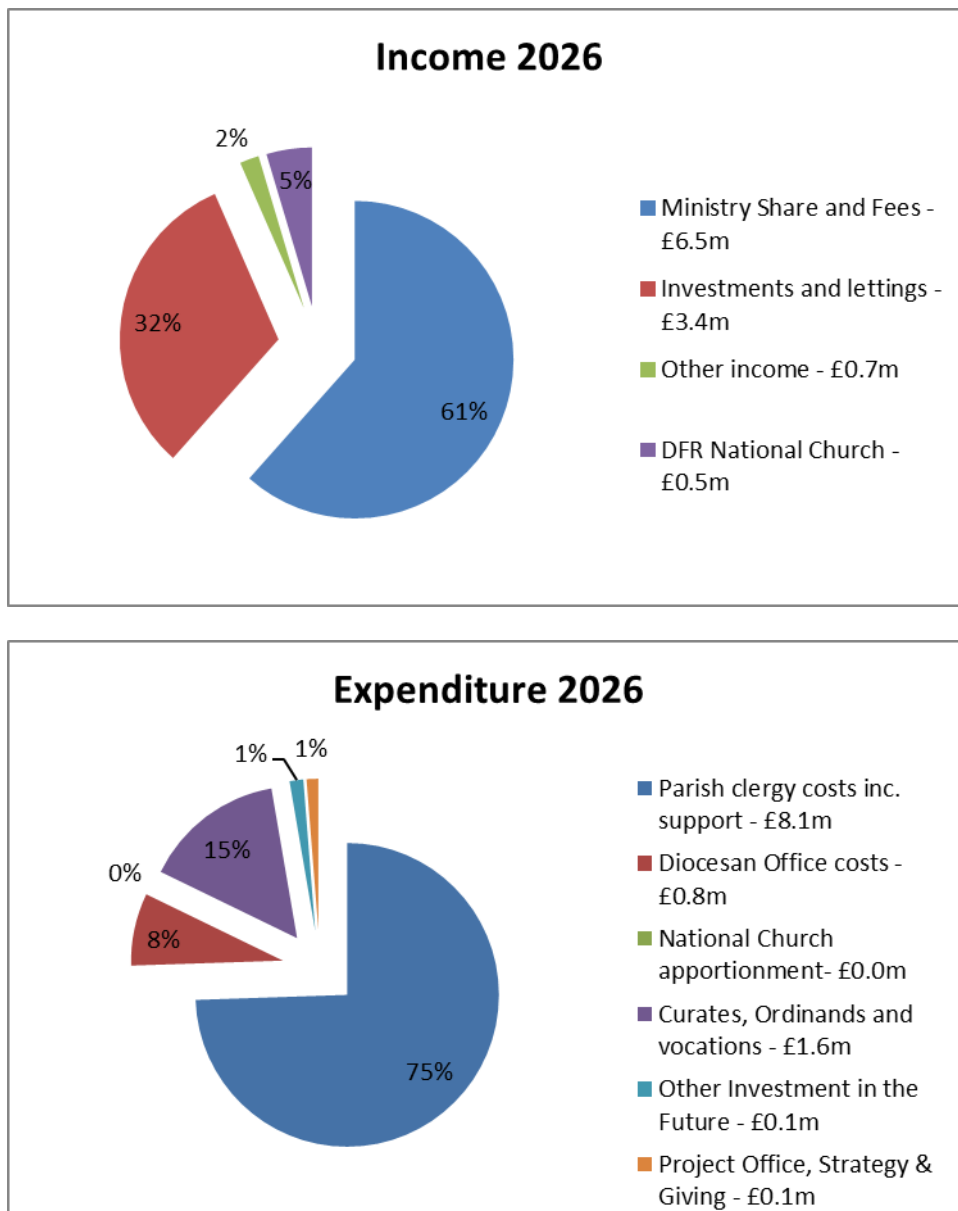
Income 2025



Expenditure 2025



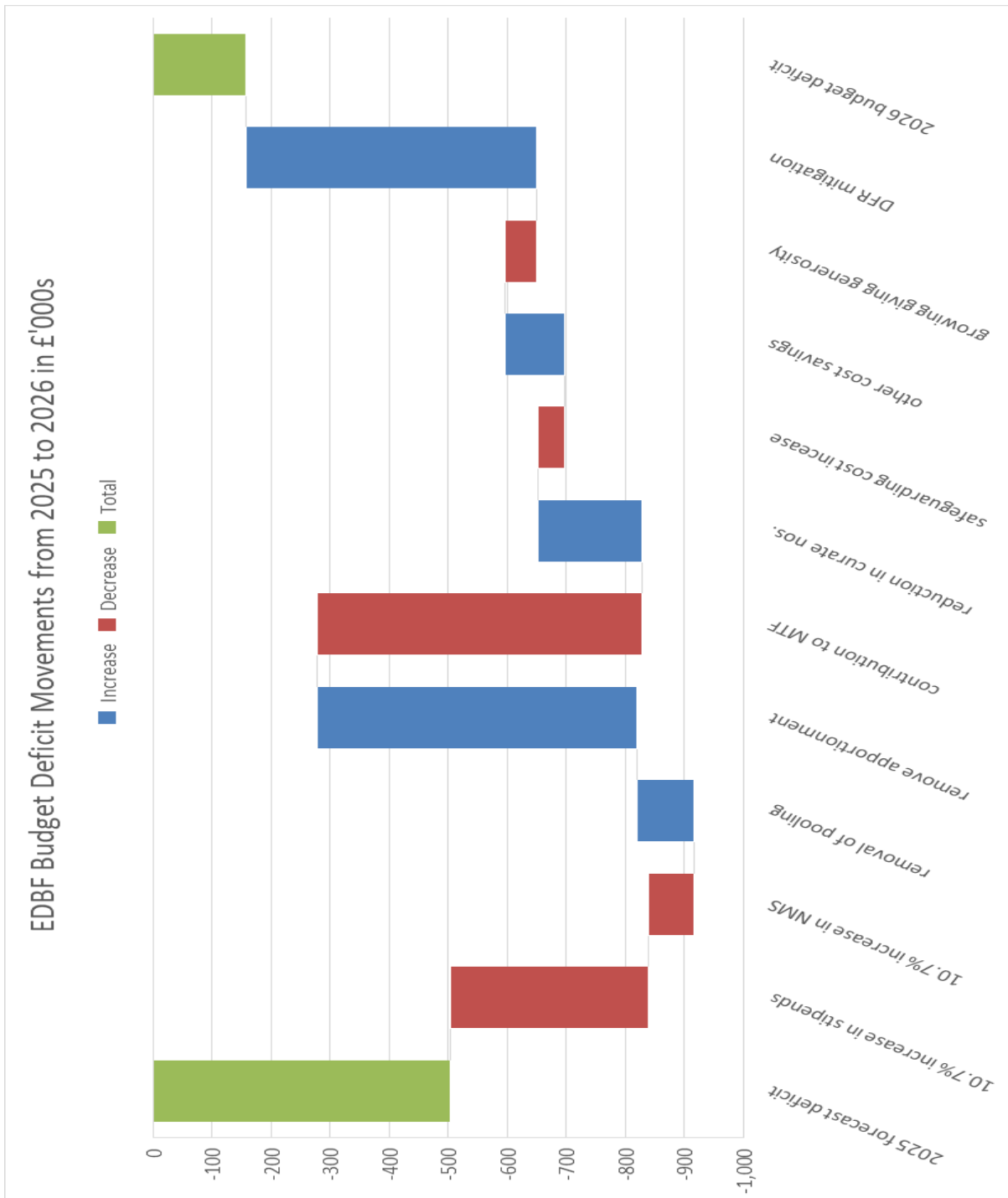
2026 Budget



has become the budget deficit of £157,000 for 2026

BUDGET 2026						
ELY DIOCESAN BOARD OF FINANCE					2026 BUDGET version 17	
4.0% parish share increase inc. inflation					(exc. Market Towns)	
10.7% increase in stipends						
4.0 % increase in salaries						
INCOME						
	2023	2024	2024	2025	2026	
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	
	£000s	£000s	£000s	£000s	£000s	
GIVEN BY PARISHES						
Net Ministry Share received	5,771	5,992	5,873	6,097	6,239	
Parish fees	296	300	258	300	300	
	6,067	6,292	6,131	6,397	6,539	
INVESTMENT INCOME						
Investment income (incl Glebe, net of costs)	2,953	2,777	2,662	3,029	3,083	
Property letting income (net of costs)	263	250	317	275	300	
	3,215	3,027	2,979	3,304	3,383	
OTHER INCOME	314	449	327	313	207	
NATIONAL CHURCH SUPPORT					492	
TOTAL INCOME		9,596	9,768	9,438	10,014	10,621
EXPENSES						
PARISH CLERGY DIRECT COSTS	5,441	5,503	5,438	5,832	6,186	
Ministry Support Costs	1,555	1,835	1,623	1,807	1,841	
Diocesan Office Costs	690	720	843	867	942	
TOTAL MINISTRY SUPPORT COSTS	7,686	8,058	7,904	8,505	8,969	
CONTRIBUTION TO NATIONAL CHURCH	586	610	592	622	0	
INVESTMENT IN THE FUTURE	1,237	1,301	1,331	1,391	1,809	
TOTAL EXPENSES	9,509	9,969	9,827	10,518	10,778	
(DEFICIT)/SURPLUS	87	(201)	(389)	(504)	(157)	

**Waterfall chart showing how the budget deficit for 2025 of £504,000
has become the budget deficit of £157,000 for 2026**



Version 17 (MS 4% uplift) (10.7% stipends/4% salaries/0% cost inflation)

DRAFT EDBF BUDGET- 2026 - ASSUMPTIONS

Ministry share	- 4% increase in parish share including inflation for 2026, 2.4% for 2027 and 2.4% thereafter
	- overall collection rate of 93.6% of allocation used for 2026 (same as final actual rate for 2024)
	- direct debit discount is gradually removed from 2026 onwards on payments made in previous year
Inflation	- Assumed 0% as a working estimate for costs. Stipend increases based on NCI catchup in 2026/27.
Parochial fees	- although this income has been gradually reducing, the budget has been kept stable at £300,000 pa
Investment income	- assessment of forecast income by investment manager, incorporating anticipated Glebe sales
Letting income	- assumed fairly stable as unused properties have been sold but rents have increased
Other income	- £52,736 grant income assumed continues from Benefact Trust (was Allchurches)
Stipends	- clergy posts available set as 100 full-time, 11 part-time and 9 house for duty posts i.e. 105.4fte posts
	- 96fte budgeted stipendiary clergy posts equates to 104fte clergy posts less an average 8 vacancies
	- clergy stipends catch up increase 10.70% per annum for 2026/2027 and 2.4% from 2027/28 onwards
Curates	- curate numbers held at average of 18.5 for 2026; ending the 50% increase on the base of 15
	- curate stipends increased 10.70% per annum for 2026/2027 and 2.4% from 2027/28 onwards
	- assumed no SMF funding is received for curates in 2025 and then 100% for 2 (over base 5) in 2026
Housing	- housing maintenance budget prepared by Stella and no increases in budgets are included
	tree maintenance works and listed wall repairs paid for from designated funds from property sales
Clergy other costs	- some changes from 2025 budgeted figures; mainly removals costs and new appointment grants
Archdeacons	- costs increased by 0.0% annually but 4.1% for the main cost of Archdeacon stipends
Salaries	- payrise of average 4.0% as of 01/04/2026 and 2.4% as of 01/04/2027 onwards
	- office staffing has decreased in number by 0.5fte from the 2025 budgeted figures
Ministry & Mission	- overall costs are reduced over 2025 budgeted figures for Mission & Ministry, restricted to 10%
	- increase on 2024 actual programme costs, including CME, LLM and LCOM training, and initiatives
Ordinands grants & National Church	- these have been replaced by the Ministry Training Fund at cost of £0.8m per annum increasing at 3.6% per annum from 2029 onwards
Safeguarding	- the fees charged for DBS checks increased by about 26% from 2025 onwards
	- extra costs for "out of hours " support for phone line, database and dashboards
	- additional staffing costs but not audit costs are now included
Legal and DAC costs	- Registrar fees are being increased by 10% in 2025 (General Synod had been asked for 25% in 2025)
	- Historic Places of Worship Support Officer (0.5fte externally funded) ends in 2027 now
	- Net Zero Carbon project/grant funding finishes at the end of 2025, NZC officer stays in post for 2026
	- CBSO grant funding finishes at the end of March 2026, apprentice stays in post for 2026
Administration costs	- 0% increase from 2025 budgeted costs for most office running and property costs
	- infrastructure & IT renewal budgets included, PR & Comms form part of the Strategy office
Admin salaries	- no changes, no office manager or other possible additions included for 2026
Strategy & Comms	- comprises staffing costs that do not relate directly to the Market Towns initiative
	- Market Towns initiative project grant funds end in 2025, EDBF employees do not remain in post
	- Diocesan Director of Strategy is part funded by CofE
	- 0% increase in PR and general communications budget has been included

What's what ...

These notes describe the principal areas of income and expenditure in the 2026 proposed budget.

Income

- Ministry Share request has been increased by 4.0% for 2026. Deaneries where they are still not meeting their target request are being asked to consider offering an additional amount to begin bridging that gap.
- Investment income: The Assets Committee seeks normally to maintain a 5.0% increase in income each year over and above the level of inflation, but due to high level of inflation being anticipated in 2025 and into 2026 this may not be achievable. However, additional endowments from the sales of Glebe land will help to mitigate the effect together with some reorganisation of investments from capital growth into income generating.
- Parsonage letting income is expected to remain steady. Additional rental income is now received from letting the Retreat House to the King's School, Ely. Education may also benefit from a grant from the Diocese of Ely Religious Education Trust.

Parish Clergy Direct Costs

The first and most significant area of expenditure includes all the items necessary for placing and supporting ordained and lay ministers within the Diocese.

- Clergy Stipends: For 2026 the budgeted number of stipendiary posts is 96 full time equivalent (FTE). The posts are a mix of parochial stipendiary posts, other stipendiary clergy, and pioneer posts. The 2026 figure of £6.186m represents stipends, pension, National Insurance contributions, housing, removals/resettlement grants and costs of vacancies. 65% of the budgeted expenditure relates to the direct costs of clergy.

The 2026 budgeted figure is calculated to reflect a 10.70% stipend increase for both incumbents and curates as from 1 April 2026, in line the National Church recommendations. These increases would restore a standard incumbent stipend back to 2011/12 levels. The overall headline stipend increase from April 2025 to April 2026 is 10.7%, of which 6.3% reflects the one-off 'catch up', and 4.16% the in-year inflationary uplift.

Ministry (Clergy and Parish) Support Costs

These are the costs of providing support to parishes and clergy plus several statutory functions. They include:

- Archdeacons (with support staff)
- Ministry and Mission support and training
- Clergy support and counselling
- Stewardship support
- Safeguarding
- Legal fees

- Church inspection and faculty fees

Overall, 26% of the budget is spent on these operational items; including the costs of Ministry and Safeguarding to support the Ely2025 strategy. All expenses incurred by the Bishops and their offices are paid by the Church Commissioners and are not included in this budget. Likewise, the Cathedral is directly funded by the Church Commissioners and not by the Diocese.

Diocesan Office Costs

These are the costs of administration for the Diocese which include:

- Salaries for administration staff
- Office running costs and maintenance
- Parsonage maintenance management
- Church Buildings Support (work carried out in-house)
- Board and Committee expenses
- Communications and Public Relations
- Audit and accountancy advice, finance, gift aid support, trusts administration
- Legal advice

Wherever possible, overhead costs are not being increased, although salaries have been increased by up to 4.0% in the 2026 budget. There was a 3.0% percentage increase in staff salaries in April 2025 in line with the clergy stipend increase. Parsonage maintenance cost rises are running significantly ahead of inflation.

Contribution to National Church

In 2025, this heading brought together all the costs associated with our support for the Church of England, together with costs associated with training new clergy in theological colleges. This payment was referred to as apportionment.

The Archbishops' Council has made a commitment to eliminate the apportionment request from 2026 onwards and in addition the Diocese will no longer be required to pay ordinand maintenance costs.

The funding of training will be replaced by the introduction of new Ministry Training Fund arrangements. The formula for the Ministry Training Fund incorporates three elements - clergy numbers, assets per capita and population income. This is intended to reflect Dioceses fair share but also to reflect differential wealth - now measured both in terms of investment assets and population wealth. The formula is therefore redistributive, in that those who have more resources pay a larger share of the bill and this applies to Ely Diocese who are deemed to be one of the wealthiest Dioceses.

Investment in the Future

- Curates
- Director of Ordinands and Vocations
- Ministry Training Fund

The 2026 budget is for 18.50 curates (23.0 for 2025). The number is no longer in line with National Church Guidelines for maintaining the numbers previously increased by 50% due to grant funding constraints. Overall, 17% of the budget is spent on these operational items; it is set at a higher figure than the 2025 budget to incorporate the anticipated cost of the contribution to the Ministry Training Fund.

Deficit

As a charity and not-for-profit organisation, the Diocese aims to break even over time. Due to fluctuations in circumstances, surpluses and deficits are made annually. Recent years have returned deficits, while in earlier years small surpluses have been incurred. Despite the generosity of parishes in their gifting the outcome in 2024 was a deficit of £389k due to reduced income from both Ministry Share contributions and investment income. In 2025 a deficit is expected to arise due to increased employers National Insurance payable on clergy stipends and staff salaries in addition to the impact on Diocesan costs and on parishes of rising inflation rates.

However, the Diocese has made cost savings wherever possible for the 2026 budget, and it is hoped there may only be small deficit of £157k arising for the year because of DFR funding support from the National Church.

Reserves policy

Any surpluses which have been built up over years are known as reserves. The Charity Commission requires us to have a policy. The Diocesan Reserve Policy is a target for free reserves (net of tangible fixed assets and investments). The policy has been reviewed at the suggestion of the auditors and is currently set at an amount equivalent to six months' gross expenditure from unrestricted funds estimated at £5.6m (2024). This policy ensures they have been set at a sufficiently high level so that the Diocese is retaining adequate reserves to support a potential major drop in annual ministry share receipts. At 31 December 2024, the free reserves of the Diocese amounted to £4.8m, which is slightly lower than the minimum required.

CONTACT

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This guide is also available on the Diocesan website

www.elydiocese.org