

LDBF 2026 Budget

Context

For 2025, we made structural changes to our financial plans that enabled a balanced budget and reduced the total Parish Share request by 18% in real terms to relieve some pressure on parish finances. We made those changes in hopeful anticipation of agreement with the Archbishops' Council on funding for our investment plans.

Agreement to aspects of those plans came later than anticipated, but we remain on course to begin much of the planned activity from 2026. Crucially, the reduced level of Parish Share set for 2025 remains the new baseline on which mission planning can occur. Looking ahead to 2026 and beyond this means that we are now able to plan with greater confidence than at any time since 2019.

Review of Diocesan Finances

During 2025 the National Church Institutions have been working on a Diocesan Finances Review (DFR), involving benchmarking and an analysis of the flows of money between different parts of the church economy.

Changes proposed by the National Church include:

- **Establishing a national level of stipend and an increase in most stipends of 10.7%**
- **Removal of the Apportionment system and the introduction of a Ministry Training fund**
- **Release of additional funding by the Church Commissioners for:**
 - Additional Lowest Income Communities funding
 - Time-limited funding to support Dioceses through significant financial pressures

Diocesan Finance Review – impact in Liverpool

The headline changes resulting from the review process are **an increase in net funding** for the Diocese of Liverpool of £1,285,321 in 2026.

This comprises £560,184 (essentially an increase in LInC funding) in relation to our annual operating position and a further sum of £725,137 - being the first tranche of time-limited funding. This time-limited funding totals £2.95m cumulatively and ends in 2034.

Budget proposals

The draft budget sets out the proposed use of additional funding available from 2026 and are subject to the further award from the Archbishops' Council to support the improvement of our housing stock condition. If we are not able to achieve that **£5M additional funding** for housing, these proposals will be reconsidered alongside our housing investment requirements and alternative proposals put forward to Trustees.

1. Missional Leadership

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The draft 2026 budget allocates an additional £1,050,000 to funding for stipendiary ministry, including £475,000 reflecting increases to stipend values and related costs (pensions and employers National Insurance) and £575,000 in additional capacity of ministry.

2. Diocesan team support for parishes

Significant funding pressures in recent years have impacted the level of support services that the Diocesan team are able to offer parishes. We are reviewing the team's capacity, skills and customer-service approach, to re-double our efforts to support every parish in the Diocese. The draft budget includes c. £226,000 in additional funding for:

1. Increased capacity in Safeguarding.
2. Increased capacity for high quality data capture, analysis and modelling capabilities as requested by SMMIB.
3. Essential leadership, training and skills development – in particular introducing mandatory training requirements for St James' House staff to ensure that we not only comply with statutory and regulatory requirements but also provide the cornerstone for excellence.
4. Increased capacity to facilitate mechanisms for Church Buildings disposal and alternative use processes

3. Parish Share

Our DIP plans aim to deliver a sustainable Parish Share that resources high quality Missional Leadership in all communities within the Diocese. The draft budget proposes a Parish Share increase of up to 2.5% in 2026, after a substantial decrease in 2025. Our long-term plans aim to deliver improved financial capacity in all parishes, reducing the Parish Share as a proportion of Parish incomes over time.

4. De-risking Revenue Pressures

The DBF financial position is vulnerable to income shortfalls, with income declining in a number of areas. The draft budget reduces income expectation in a number of these vulnerable areas to reduce the risks of unsustainable adverse variances.

Matt Elliott

Sept 2025

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LDBF Budget Summary					
	2025	2026	2027	2028	2029
Parish Share	6,705,000	6,838,875	7,044,503	7,185,393	7,433,984
Time-limited Support - Archbishops' Council	-	725,137	609,999	494,860	379,722
Lowest Income Communities Funding	1,829,159	2,406,884	2,505,085	2,603,034	2,655,095
DBF Fees (Funerals & Weddings)	465,000	400,000	408,000	430,000	450,000
Investment Income	139,646	143,137	146,000	148,920	151,898
Rental Income	571,200	491,825	530,862	573,599	587,279
Grants and Donations	385,637	220,422	200,766	181,064	161,339
Other Income	328,089	184,450	193,923	203,585	213,441
	10,423,731	11,410,730	11,639,137	11,820,455	12,032,758
Clergy Stipends	4,790,979	5,611,701	5,723,935	5,804,984	5,887,653
Clergy Pensions	1,085,038	1,133,531	1,156,202	1,158,684	1,194,757
Clergy NI	435,149	617,685	630,039	632,640	635,293
Clergy Removals	150,000	153,750	156,825	159,962	163,161
Clergy Grants	124,000	187,350	191,096	194,918	198,817
Ordinands Maintenance	330,000	220,000	-	-	-
Archbishops' Council Apportionment	442,804	-	-	-	-
Ministry Training Fund	-	100,304	388,082	402,182	410,226
Clergy Housing	745,230	776,500	789,230	805,461	822,097
SJH support for Parishes	2,222,532	2,509,459	2,501,268	2,556,604	2,613,109
Other Costs	98,000	100,450	102,460	105,020	107,645
	10,423,731	11,410,730	11,639,137	11,820,455	12,032,758
Surplus / Deficit	-	-	-	-	-