



DIOCESE OF BRISTOL
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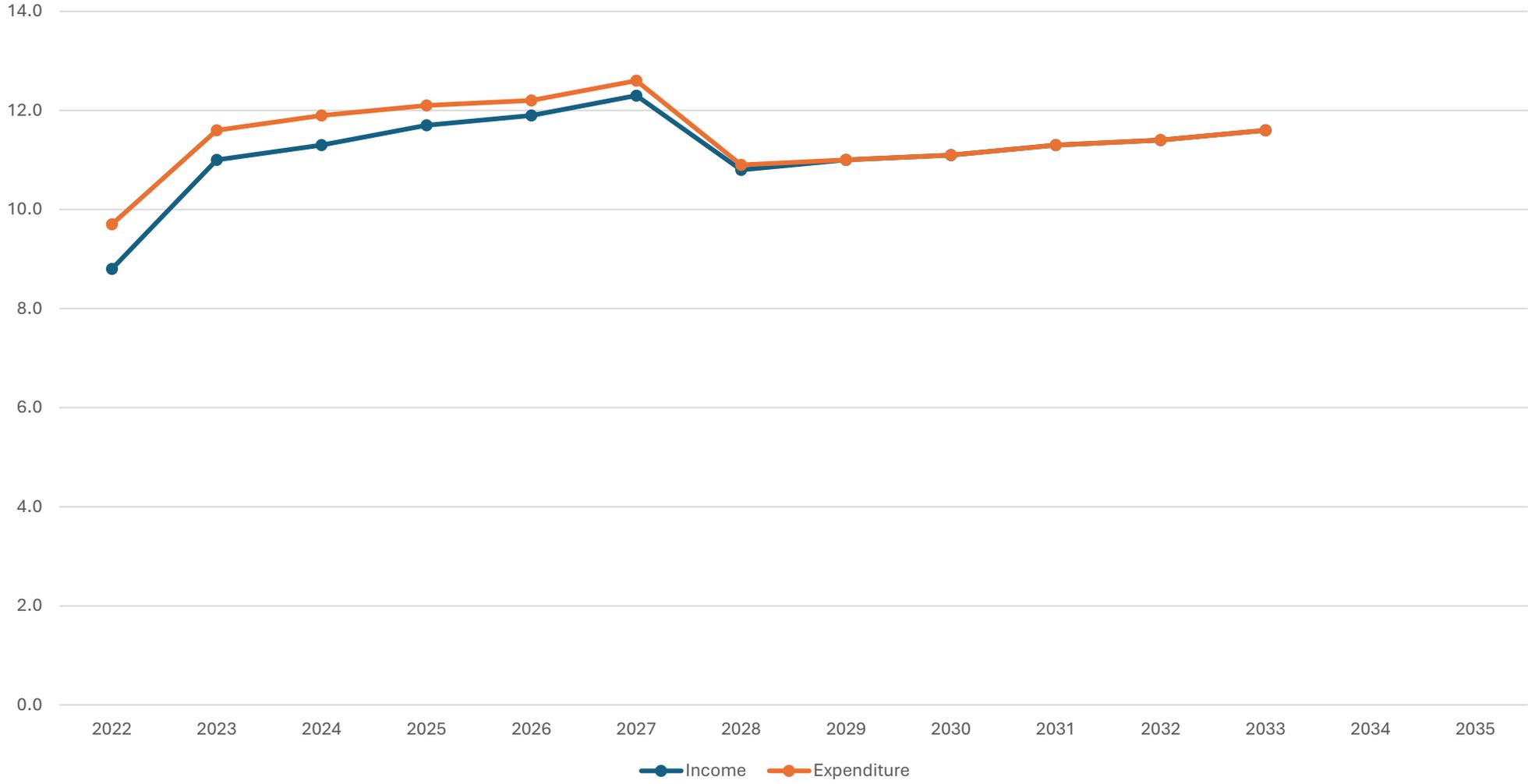
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Financial Strategy Ten Year Plan v1

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February 2026

ORIGINAL 2022 PLAN INCLUDING TCT INCOME/SPEND 2023 TO 2027 (£M)



The original 2022 Strategic Plan assumed a post-Covid Parish Share increase of 3.7% in 2023 (then 2% p.a. thereafter) with Investment Income rising from 7% to 9% pa until 2027; leading to a 2029 break-even point.

It assumed a 2% Inflation rate. Catch-up property compliance and Carbon Net Zero spend were planned to come from approved Reserves (not in the above).

TCT income and spend in 2023 to 2027 (which nets off) is included the above. Clergy numbers were sustained.

IMPACT OF EXTERNAL FACTORS

Since 2022 we have suffered the impact of external factors

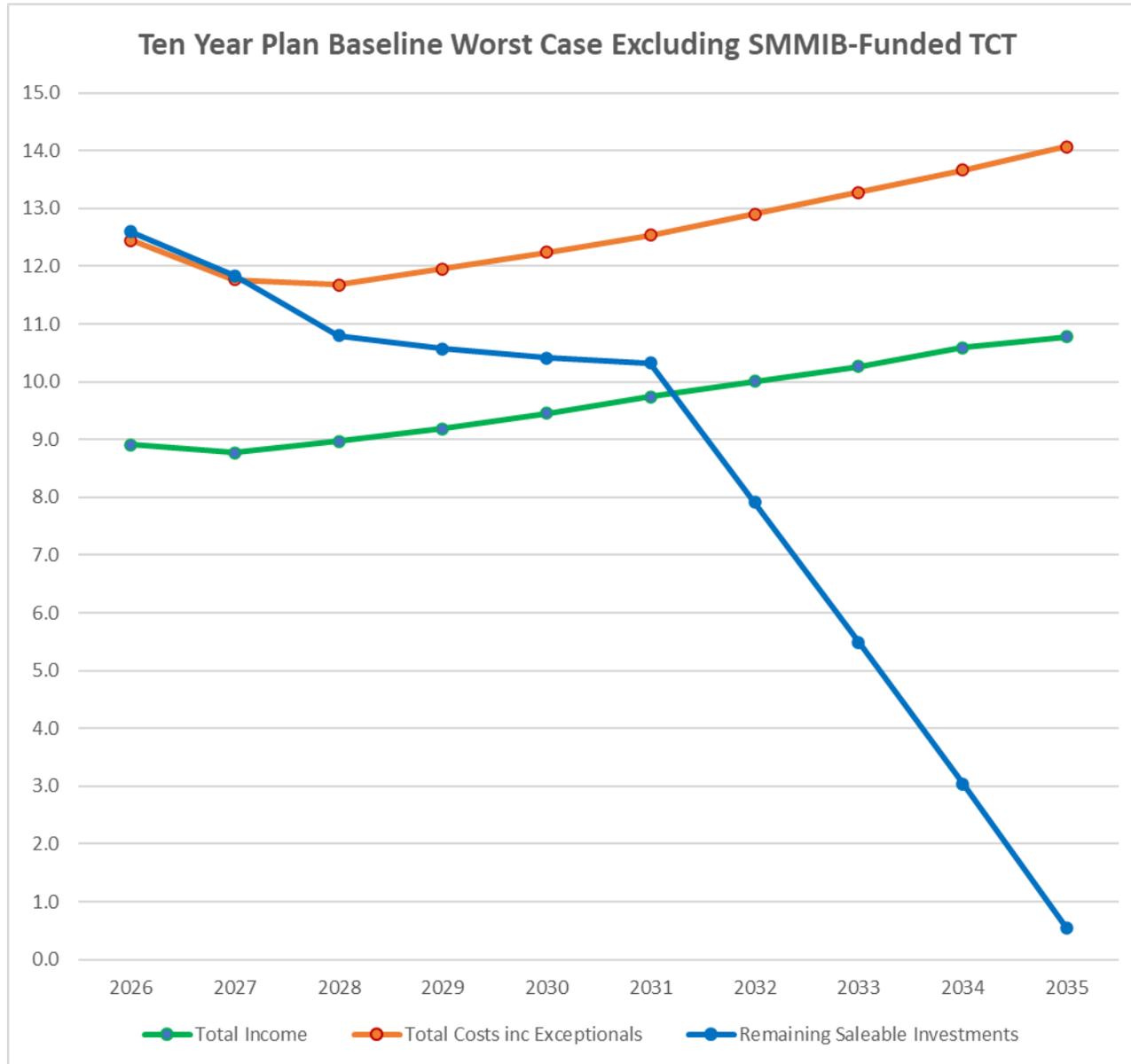
- 2025 Diocesan Finance Review - £120k p.a. worse off (plus inflation, ongoing)
- ~9% stipend increase + increased pension contributions (both inflation-linked going forward) adding £312k to our annual cost base,
- Employers' NIC increases, adding £337k to our cost base,
- Investment returns dropping due to global instability and (relatively) poor performance by investment company, Churches Charities and Local Authorities (CCLA) (a drop of~ £80k from 2024, likely to worsen),

Cumulatively, this bakes in **£769k** of additional annual costs (most of which will inflate)

Parish Share is returning to 2019 levels, but there is **zero** growth in real terms

Taken together, projections show the Diocese will face a financial cliff edge in 2035

TEN YEAR PLAN BASELINE INCLUDING SOME SAVINGS AND RAMPED UP NEW INCOME



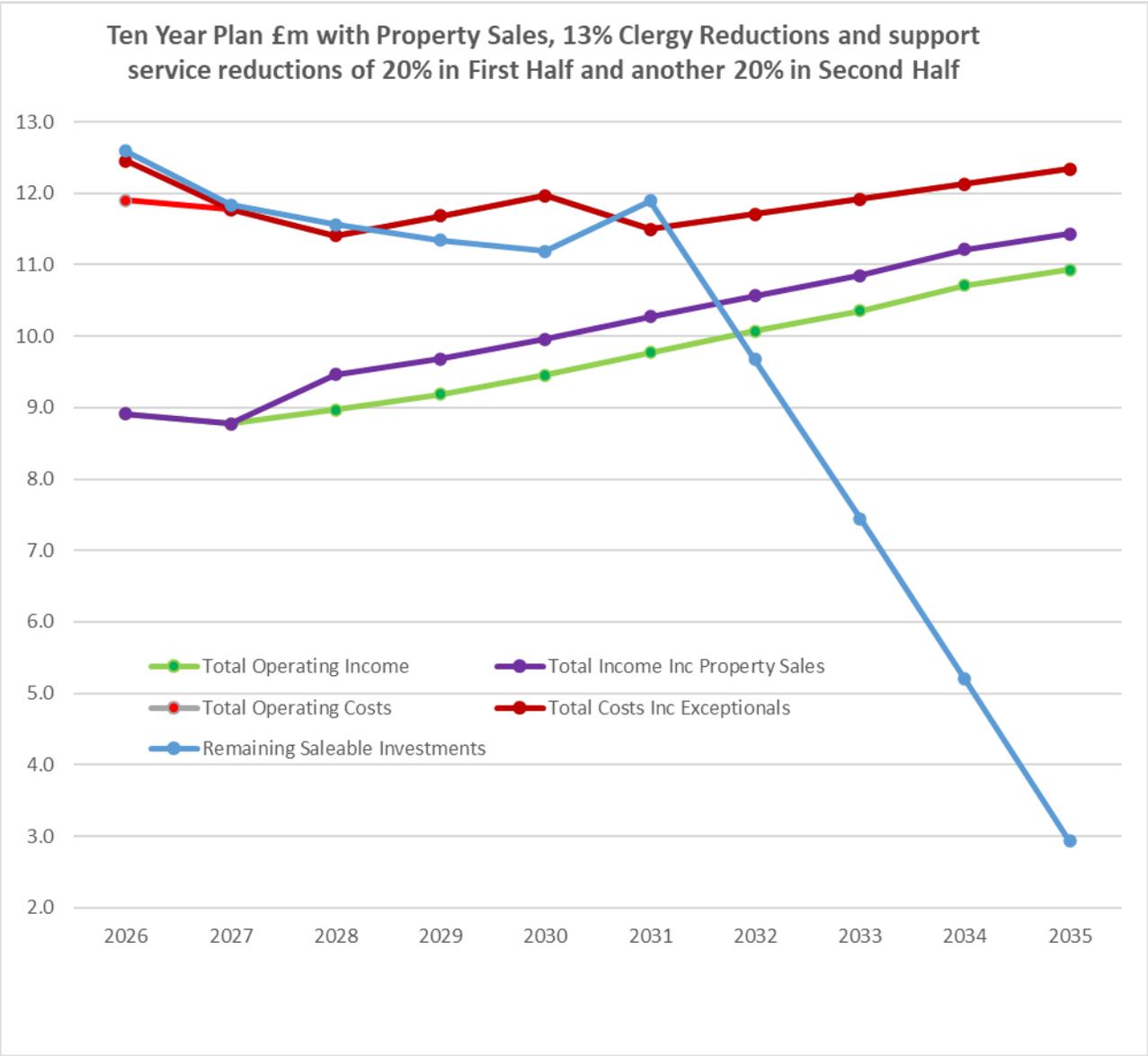
This projection assumed significant DSS operating cost savings in 2026/7,

- 'natural wastage' of one stipend per year for the first 5 years,
- increased fundraising for the full period,
- and a gradual rise in Parish Share up to inflation levels (3%) over 3 years.

This would result in a continued underlying deficit of £3m, and an expiry of useable reserves in 2035.

In the first 5 years, reserves are initially sustained by gradual accessibility, some vicarage sales, and Total Return Accounting.

CURRENT TEN-YEAR PLAN (INCREASED INCOME ASSUMED, AND MORE SAVINGS)



Property sale profits of £0.5m per annum added from 2029 onwards;

and in the second 5 years, the loss of 2 stipends per annum and another 20% Diocesan Support Staff savings.

BUT, even after 10 years of heavy savings and demanding income generation targets, we still see a stubborn **£0.9m deficit** and our accessible reserves will be almost exhausted by 2035.

LATEST TEN YEAR PLAN WITH MORE INCOME AND MORE SAVINGS TABLE

DIOCESE OF BRISTOL TEN YEAR FINANCIAL PLAN AT 14/2/26 EXCLUDES SMMIB-FUNDED TCT INCOME/COSTS										
£ Millions	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<u>Income</u>										
Parish Share	5.1	5.2	5.3	5.4	5.6	5.8	5.9	6.1	6.3	6.5
Investments/Prop Rentals	1.4	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0
Transitional Relief Nat Church	0.6	0.5	0.4	0.3	0.2	0.2	0.1	0.0	0.0	0.0
Grants & Other Income	1.6	1.8	1.8	1.9	2.0	2.0	2.1	2.2	2.2	2.3
New Fund Raising	0.2	0.2	0.4	0.5	0.7	0.8	1.0	1.1	1.2	1.2
One-off ProP Sales Upside			0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total Income	8.9	8.8	9.5	9.7	10.0	10.3	10.6	10.9	11.2	11.5
<u>Operating Expenditure</u>										
Clergy Stipend/Property Costs	(5.9)	(6.1)	(6.1)	(6.3)	(6.4)	(6.5)	(6.5)	(6.6)	(6.7)	(6.8)
DSS Other Property Costs	(0.6)									
DSS Non Payroll	(2.8)	(3.1)	(2.9)	(3.0)	(3.1)	(2.5)	(2.6)	(2.7)	(2.7)	(2.8)
DSS Payroll	(2.6)	(2.6)	(2.4)	(2.4)	(2.5)	(2.5)	(2.6)	(2.7)	(2.7)	(2.8)
One-off costs - All Saints	(0.5)									
Total Costs	(12.4)	(11.8)	(11.4)	(11.7)	(12.0)	(11.5)	(11.7)	(12.0)	(12.1)	(12.4)
Net Deficit	(3.5)	(3.0)	(1.9)	(2.0)	(2.0)	(1.2)	(1.1)	(1.1)	(0.9)	(0.9)
<i>Saleable Investments at YE</i>	12.6	11.8	11.6	11.3	11.2	11.9	9.7	7.4	5.2	2.9
<i>Clergy, Curates, Archdeacons FTE</i>	108	107	106	105	104	102	100	98	96	94

CONCLUSION

- For reasons (mostly) beyond our control, our finances are critically worse than they were only a year ago.
- Good progress is being made with TC.T and we have reasons to believe God is at work.
- Carbon Net Zero work will need to be funded by external grants, property sales, and fundraising.
- **Even with stretching targets for income generation, and severe cost savings, a stubborn £0.9m deficit remains after ten years, so we *must do more*.**

There is a huge amount of work to be done by the Diocese to overcome this challenge:

- Parish Share *cannot stay where it is* – we need a *quantum shift* in our discipleship and generosity
- A major drive is needed with Fundraising and Income Generation
- We need to better utilise/exploit our properties and Glebe land

If we can demonstrate a credible plan to the National Church then we might receive additional help, but only if can demonstrate progress with TC.T, a significant increase in parish share, and the bravery to make tough savings decisions