Diocesan Synod
Finance Update
Tom Royle, Head of Finance

The Overall Picture

The Diocese is in a **healthy position relative to budget** at the end of May. We are £138k ahead of where we expected to be, with more money coming in than planned and spending broadly on track. Parish share — the contributions our churches make to fund shared ministry — is performing at its best level since before Covid.

However, it is important to be clear: we are still on course to spend more than we receive this year. Before property sales, we are tracking to a **deficit of around £605k**. A significant property sale (St Oswald's Vicarage, expected around June) should bring the year into surplus, but the underlying gap between what we raise and what we spend remains a long-term challenge.

Income and Expenditure — January to May

The table below shows where we stand against budget for the first five months of 2026.

	Actual	Budget	Difference
INCOME			
Parish Share from churches	£1,512k	£1,433k	**+£79k**
National Church & grants	£1,647k	£1,630k	**+£17k**
Recharges	£71k	£4k	**+£67k**
Clergy fees (weddings, funerals)	£69k	£91k	**−£22k**
Investment & savings income	£38k	£68k	**−£30k**
Rental & other income	£276k	£257k	**+£19k**
Total Income	**£3,614k**	**£3,483k**	**+£131k**
EXPENDITURE			
Clergy pay, housing & pensions	£2,108k	£2,125k	**+£18k**
Staff, offices & support costs	£1,040k	£1,044k	**+£4k**
Grants to parishes & other	£137k	£122k	**−£15k**
Total Spending	**£3,285k**	**£3,292k**	**+£7k**
Net Surplus (Jan–May)	**£329k**	**£191k**	**+£138k**

What's going well: Parish share is £79k ahead. There has been some unbudgeted income received within recharges. Rental income is ahead of budget

Areas to watch: Clergy fees (income from weddings and funerals) are £22k below target – it's important that parishes send returns in promptly. Investment income is £30k below budget because cash is temporarily lower while we wait for property sale proceeds.

Parish Share — How Our Churches Are Contributing

Parish share is the single biggest source of income for the Diocese — the contribution each church makes towards the cost of shared ministry across the whole Diocese.

By the end of May, **£1.51m had been received** — the **highest amount at this stage of the year since before Covid**. Seven of our twelve deaneries are at or above their target, and the number of parishes paying on schedule has risen from 99 to 110 compared with this time last year.

Deanery	% of budget paid	vs 36% target
Alnwick	36%	✓
Bamburgh & Glendale	40%	✓
Bedlington	32%	▼
Bellingham	32%	▼
Corbridge	46%	✓
Hexham	40%	✓
Morpeth	33%	▼
Newcastle Central	44%	✓
Newcastle East	37%	✓
Newcastle West	32%	▼
Norham	28%	▼
Tynemouth	36%	✓
TOTAL	**37%**	**✓ On track**

Based on historic trends, the full-year parish share forecast is **£3.98m** — slightly below the £4.03m budget, but a realistic and prudent estimate.

Investments

Investments: The Diocese holds around £5.0m in investment funds (plus a further £5.8m in the Bishop Alec Graham Fund, which is held separately). Markets fell sharply in March amid global uncertainty linked to the conflict in Iran, but have since recovered.

Things to Keep an Eye On

The following are the main financial risks the Diocese is monitoring for the rest of 2026:

⚠️ **Parochial fees —** Income from fees for weddings, funerals and other services is running below budget. It is important that parishes send returns in promptly

⚠️ **Investment income —** Returns from our savings and investment funds are below plan. We have already adjusted our forecast to reflect this.

⚠️ **Fuel and inflation —** The situation in Iran has pushed fuel prices higher, which could affect both diocesan running costs and the ability of parishes to manage their finances.

None of these risks are currently expected to derail the overall forecast, but they are real and will require ongoing attention.