

Our Church Finances in 2025 & 2026



**St Philip & St James Church,
Hucclecote**

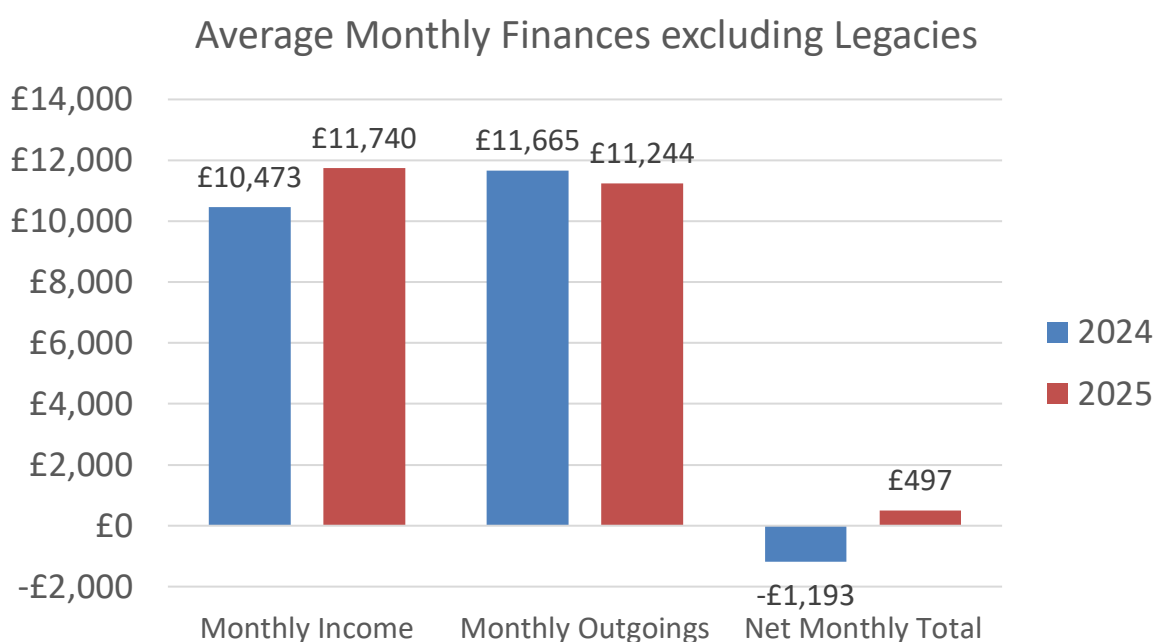
Introduction

Money is one of those subjects that can be difficult for us to talk about, both individually and as a church. We don't talk about the church finances that often, and they aren't always simple to explain.

This leaflet uses monthly averages from our 2025 finances, which we hope are easier to relate to than annual figures. We also hope it will make clear what St Philip & St James church spends money on, and the difference that giving and donations make. Thank you for whatever part you play in this!

We have a lot going on in our church and support many things in our community and beyond. All this comes with a cost. Many of our groups generate enough income, usually through donations, to cover their own costs. However, money is also needed to pay for water, lighting and heating, to ensure that things are clean, safe, and insured. It pays for our admin and vicar, buys performance licenses so we can sing songs, enables the churchyard to be kept tidy, and is needed to keep our buildings in a good state of repair.

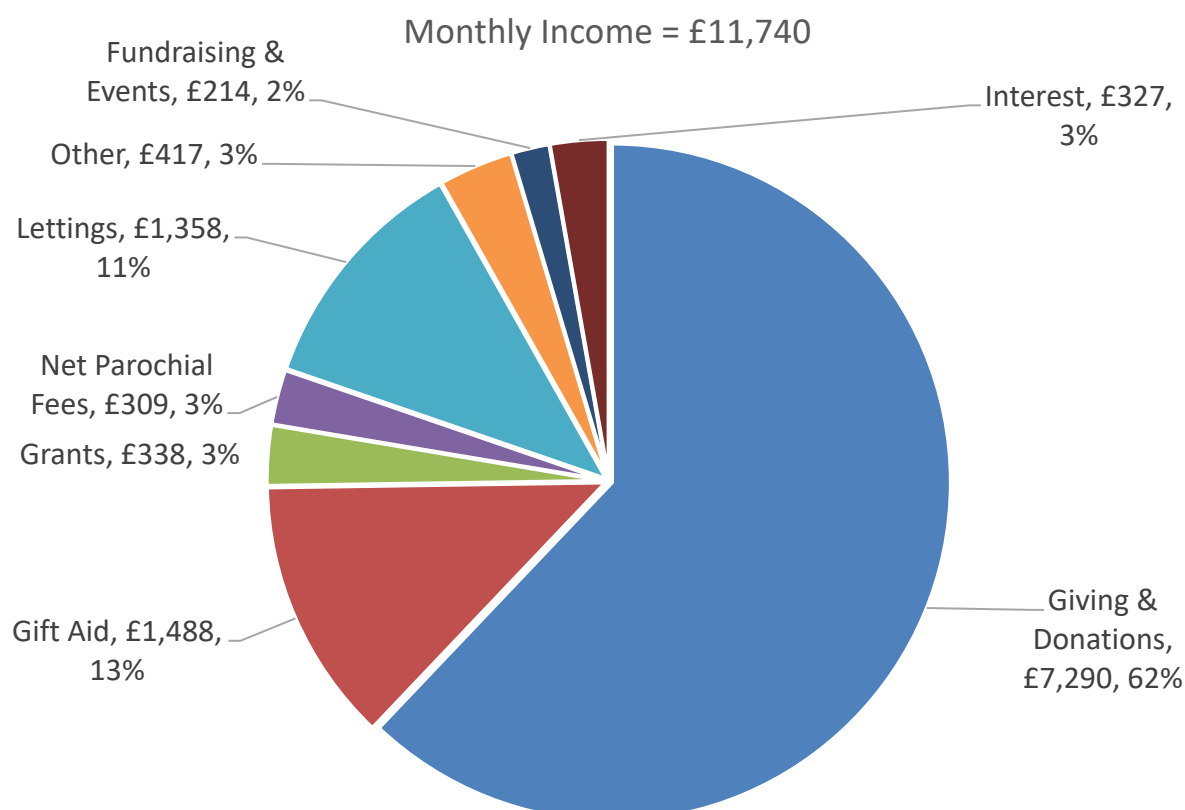
Overview



Overall Financial Position:

As shown in the graph, excluding legacies (i.e. one-off gifts given in Wills), the church achieved a small monthly surplus in 2025, compared to a deficit in 2024. Average monthly income was higher in 2025 compared to 2024, primarily as a result of modest increases in giving and donations, grants, and letting fees. Our average monthly outgoing was lower compared to 2024, mainly due to changes in the way we support mission partners and a modest decrease in the cost of lighting the church, though we needed to spend more on maintenance.

Our Income in 2025



Where does our money come from?

The pie chart above shows average monthly income of our church in 2025, separated into various categories. Our income is hugely dependent on the regular giving and donations of people who attend services or otherwise support our church. Thank you if that includes you!

You might be surprised that we don't get any money from the central Church of England or our Diocese. This is true for most churches in our country.

Below we highlight a few key things.

Giving, Donations & Gift Aid:

Regular planned giving dominated total giving, though the return of collections did contribute significantly too. The majority was to the General Fund. Gift Aid, where possible, is a significant boost. Together, these categories increased by 12% from 2024.

Lettings:

Income from building hire increased by 8% from 2024, more than the increase in fees, which was around 4%. There are still plenty of times when the church centre is available, so there is capacity for growth in future years. If you would like to hire the church centre for a regular or one-off event, please contact the church office.

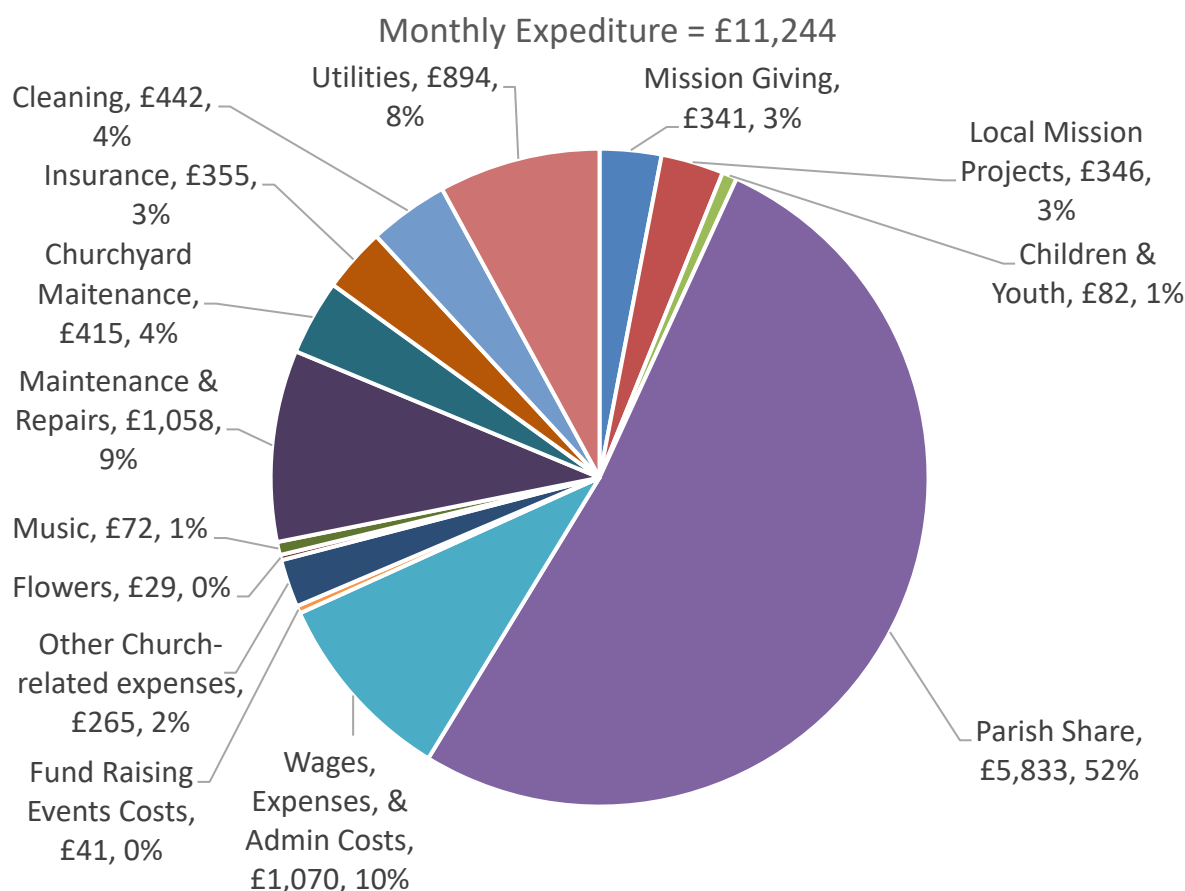
Legacies:

In addition to our regular income, we received several generous legacies in 2025 from former members of our community leaving money to our church in their Will. Though there are thankfully few restrictions imposed on their use, we have currently put them in a designated fund and PCC are developing a policy to ensure they are used carefully and appropriately.

Our Outgoings in 2025

What do we spend money on?

The pie chart shows what our church money was spent on in 2025, averaged per month and separated into various categories. A few are highlighted below.



Parish Share:

Parish Share is the contribution of our church to the shared cost of mission and ministry across our Diocese. Contrary to popular belief, this does not go to the central Church of England. In 2025, the total cost to provide mission and ministry across our diocese was £11.6 million.

The largest portion of these funds directly supports clergy and training. For every £10 given, £5.70 is spent on clergy stipends and pensions, £2.70 is spend on clergy housing, and £1.60 on ongoing training, development, and support for parishes including: safeguarding, HR, finance, advice on maintaining church buildings (DAC), legal representation, communications and overseeing Church of England schools.

In 2025, clergy costs were £7,235 per month and we contributed 81%. In 2026, we agreed to contribute £6,125 per month towards increased costs of £7,871 (78%).

Maintenance:

Our buildings and churchyard are increasingly expensive to maintain, and significant investment will be needed to keep them fit for the future.

Utilities and insurance

As with household bills, these costs have increased significantly in recent years. Energy prices for 2026 have continued to be volatile, though we have tried to reduce our energy usage through installing LED lighting in the church with the help of a grant from the Diocese. Insurance costs have increased 260% in the past 6 years.

General, Designated and Restricted Funds

We manage the finances of the church using three categories:

- *Restricted funds* can only be used for a specific purpose, often stipulated when the money is given (e.g. fundraising for Tanzania).
- *Designated funds* are set aside for particular purposes, such as Lunch Club and the Community Garden, but can be moved with PCC agreement.
- *The General Fund* covers day-to-day income and expenditure and is the fund over which we have complete discretion.

At the end of 2025, our General Fund was around £29k, up from 2024 and above our reserves policy of two months' expenses (£22.5k in 2025). We also had £54.1k in Designated Funds and £78.3k in Restricted Funds.

Of the Designated Funds, around £17k is from legacies which we want to use wisely for significant projects, £11k is a reserve for essential maintenance, and much of the rest is tied to church groups and activities.

Most of the Restricted Funds (£64,173) dates from several years ago and was given towards replacing our church centre. This project has not been feasible for some time, and the PCC is exploring whether these funds can be released for renovation of the church centre and/or other buildings.

As such, while it may seem that we have plenty of money in these funds, in practice they cannot be used for our monthly expenses.

If we are to realise our new vision — including refurbishing our buildings to keep them fit for purpose for the next 30 years and contributing fairly to the cost of our clergy (78% in 2026, with the remainder subsidised by the Diocese) — we also need to consider how to fund this while continuing to improve our day-to-day financial stability.

Plans for 2026

We have produced a budget for 2026 which includes known increases to parish share and assumptions about other increases, including a significant increase in maintenance costs based on the work that we know needs to take place.

If our finances in 2026 follow our budget, we will have a modest increase in the general fund of £500 per month, but we will be using up designated and restricted funds by around **£1,333** each month, leading to an overall planned deficit of roughly **£833** per month.

This is before we consider new initiatives which may come out of our vision process, redecorating the Church, a new church heating system, refurbishment of the Church Centre, or replacement of the Youth Centre and Gordon Rooms, all of which will require significant fund-raising to support any grants we can obtain.

The difference you could make

We believe we are being good stewards of the resources available to us, minimising waste and reducing costs. We are also continuing to put on community fundraising events. However, we need more income to meet the cost of repairs and keep our buildings and infrastructure fit to serve our church and community into the future.

We have become more proactive about seeking grants to supplement our expenses, but these have their limits, are not guaranteed, and take time and skill to obtain.

We can draw down from reserves for a short period of time, but we cannot do this year after year. **We must ask our congregations and local community for their support.**

Donations and Giving:

We currently have around 100 people on our electoral roll. Giving and donations average £72.90 per person per month, with an additional £14.88 from Gift Aid. We are incredibly grateful for this faithful support.

We know times are not easy, and many in our congregation and community have financial challenges of their own. However:

- If you don't give regularly, please consider whether you can.
- If you already give, please consider whether you could increase your gift to keep pace with inflation: what cost £10 in 2010 costs £15.58 in 2026.

If 100 people gave an extra £5 per month, this would more than halve our 2026 deficit. If 100 people gave an extra £10 per month (£2.50 per week), we would not need to use our reserves. Any contribution is gratefully received.

Please also consider whether you might leave a legacy in your Will to help fund significant projects and enable our church and community to thrive into the future.

We would never want anyone to put themselves into hardship, but ask that you prayerfully and carefully consider how you might help us meet these challenges.

If you have any questions or would like to discuss this further, members of the clergy team and PCC would be happy to do so or to point you to those who can best help.