

## GENERAL SYNOD

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### JULY GROUP OF SESSIONS 2016

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#### SEVENTH NOTICE PAPER

#### RESOURCING THE FUTURE: NATIONAL CHURCH FUNDING FOR DIOCESES 2017-19

1. This notice paper provides an update on the distribution of national Church funding to dioceses in 2017-19 which the Archbishops' Council will be distributing from funds managed by the Church Commissioners.
2. In February 2016 (GS 2021), members were informed that, from January 2017, the national funding available for distribution to dioceses will be split equally between two funding streams. These funding streams will be 'lowest income communities funding' (allocated to dioceses by a formula to support mission in such communities) and 'strategic development funding' (for which dioceses may apply to help them invest in new growth opportunities).
3. It was noted that to ensure an orderly transition to the new funding arrangements, the Archbishops' Council had asked the Church Commissioners to provide an extra £72.7 million of transitional funding during 2017-26 to support dioceses which have been particularly dependant on the previous funding regime. The prospect of the Commissioners making additional distributions was endorsed by General Synod in February 2015 when the following motion was carried in all three Houses:

*“this Synod, welcoming GS 1981; and noting that the funds of the Church Commissioners are a permanent endowment, held in perpetuity to support the Church of England as it seeks to proclaim the faith afresh in each generation, support the Commissioners, in consultation with the House of Bishops and the Archbishops' Council, giving consideration to the basis on which they might, for a limited period, release additional funds in order to support changes that will equip the Church of England more effectively for sustainable mission and ministry over the coming generations.”*

4. In February, I reported to Synod that the Commissioners had agreed in principle to make extra funding available to accelerate the implementation of the new funding arrangements, but that this was

subject to agreeing the detail of how the success of the new funding streams would be evaluated. I am pleased to report that following extensive dialogue between the Council and the Commissioners agreement has been reached on this point and the Church Commissioners have agreed to release the additional funding requested by the Council, subject to the usual annual checks that apply to all their spending. The process of discussing the new arrangements has made significant changes and improvements to how the effectiveness of that spending will be assessed.

5. In 2017-19 transitional funding of £45.7 million will be available for those dioceses which will receive less under the new system. This will be in addition to the £74.3 million available for the each of the two new funding streams over this three year period. Diocesan Secretaries have been informed of the grant levels for lowest income communities funding and transitional funding in 2017-19 and the procedure for applying for strategic development funding.
6. The Council is grateful to the Commissioners for making the transitional funding available. This has made it possible to move to the new funding arrangements of equal funding for the lowest income communities funding and strategic development funding from the start of 2017 whilst easing the transition for those dioceses which will see a reduction in their funding compared with the previous arrangements.
7. The impact of this change should not be underestimated. From 1 January 2017 the Council and dioceses will share a responsibility both to ensure that the lowest income communities funding (£24 million in 2017) is directed at the more deprived communities and more radically that a flow of quality applications to utilise the same amount of strategic development funding comes through. Having asked the Commissioners to free up these funds we now need to commit that the distributions will be spent to maximise impact in line with diocesan strategies. This is a major step change from the way we have operated before.

Canon John Spence  
Chair, Archbishops' Council Finance Committee

July 2016