

FUNDING FOR THE CHURCH

The Church Commissioners for England intend to distribute

£1.2bn

between 2023 and 2025.

These funding distributions will account for approximately

20%

of Church funding.

In 2022, we announced that our funding for the next triennium (2023-2025) will increase by

30%

– helping to revitalise our parishes and worshipping communities, and to support and develop ministry, especially with young people and disadvantaged communities.

The Church Commissioners hope to be able to maintain this level of funding over the next six years, subject to investment performance and market fluctuations, which would help the Church to plan for the medium and long term.

Increased funding distributions for 2023–2025

- Strategic (ongoing)
- Core
- Transformational (time-limited)
- Historical (including Pensions)



How the funding is allocated

We fund a range of expenditure, including significant statutory commitments such as pensions, which we are legally required to provide. We also provide other discretionary funding streams as recommended by the Triennium Funding Working Group.



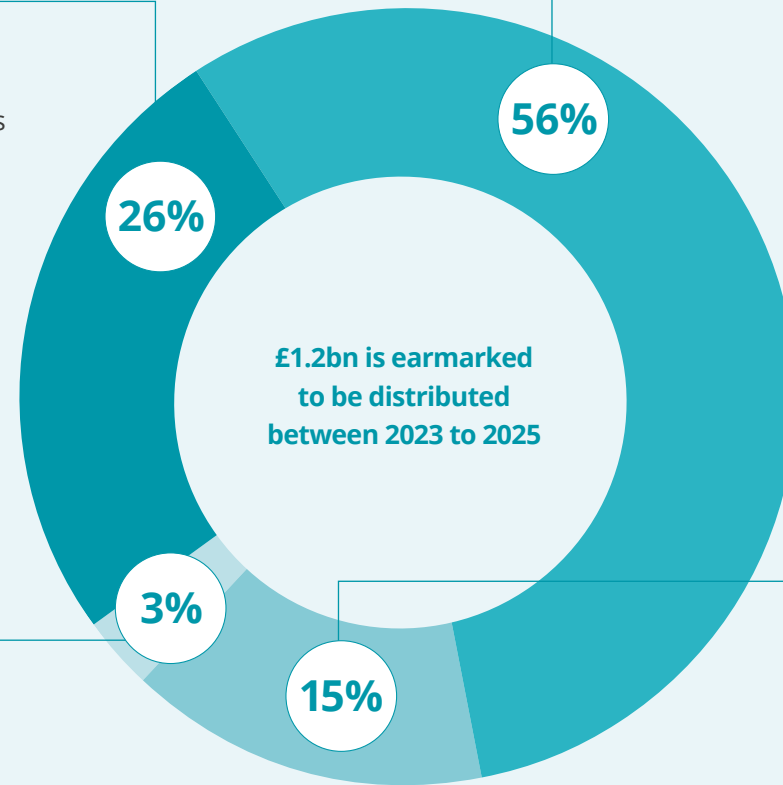
Strategic: £226m (26% of fund value)

Strategic (previously “Additional”) funding covers targeted programmes, for example supporting growth in interventions to address racial justice and other social justice and diversity matters.



Time-limited: £140m (3% of fund value)

Time-limited expenditure is focused on transformational initiatives which are planned for a short- to medium-term time frame. A key example is enabling progress towards the carbon net zero goal of 2030 as set by the General Synod.



Core: £426m (56% of fund value)

Core funding includes elements of expenditure that are considered of fundamental importance to support the mission and ministry of the Church, for example funding for communities with fewer resources, and statutory funding responsibilities of the Church Commissioners, such as bishops and cathedral funding.



Historical (including pensions): £417m (15% of fund value)

We have a statutory responsibility to fund clergy pensions for service before 1998. These pension obligations have to be a priority commitment for the fund, and inform how much is available for the other funding categories. About 15% of our fund is estimated to be spent over the coming decades to meet our pension obligations and address other historic matters.



More information on [how we invest](#), what we fund and how we are governed can be found in our [Annual Report](#).



More information on our approach to [Responsible Investment](#) can be found in our [Stewardship Report](#).



Supporting mission and ministry

In line with the Church’s Vision and Strategy for the 2020s, funding from the Church Commissioners will be used to support mission and ministry in parish churches and other worshipping communities. In addition to continuing to fulfil our statutory responsibilities (including meeting our pensions obligations and supporting specific areas of the work of bishops and cathedrals), this will include:

- Continued funding for the Church in the poorest parts of the country, taking into account lessons from the recent independent review into Strategic Development (SDF) and Lowest Income Communities (LiNC) funding.
- Increasing the number of clergy in front-line ministry in parishes and chaplaincies, with the intent that the Church’s clergy better reflects the diversity of the nation that we serve.

In addition, the Church will lead by example in areas that are important not only to the Church but to wider society. It will:

- Enable thriving local churches across the country, making significant contributions to their local communities and delivering even more social action work.
- Support diocesan, parish and cathedral plans for the Church to become carbon net-zero by 2030 – a target set by General Synod.
- Fund measures that will help the Church to become more diverse.



CASE STUDY



St John the Evangelist Church in Balby, Doncaster, Diocese of Sheffield

What was once a regular food bank at St John the Evangelist in Balby developed during the lockdowns into a “multi-bank” open four days a week, providing everything from fresh fruit and veg to clothing, towels, bedding, toiletries, pots and pans and much more, all shared from the community.

The parish also runs a free coffee shop and drop-in centre as part of its outreach.

These social action projects operate under the banner “Given Freely, Freely Given.” The services are provided under an honesty approach aimed at reducing barriers to people most in need.

The parish has benefited from Lowest Income Communities through the Church of England.



Maximising the support we can give on a sustainable basis

We support the mission of the Church of England through ethical and responsible management of the Church's historic endowment fund. Our ability to provide funding on a sustainable basis today and for future generations is made possible only through the returns on our investments.

1

We set our charitable distributions at the maximum level that we believe is sustainable. This helps to mitigate significant fluctuations in market performance or other economic factors.



2

To determine the maximum amount of funding we can provide sustainably, we are advised by independent actuaries. They analyse the fund and distributions, considering:

1. **Economic assumptions** – such as projected inflation rates and economic growth rates.
2. **Asset value & returns** – how much money we can realistically expect to make on our investments over the long-term.
3. **Funding commitments** – existing commitments and their proposed time-frame.
4. **Life expectancy** – for pension obligations.

Even a small change in any of these factors can have a big impact on the financial support we can provide for the Church.

3

Assets committee

The Church Commissioners' Assets Committee, informed by the independent actuaries, determines the maximum sustainable level of funding available for the Church.

4

Triennium funding working group (TFWG)

Makes recommendations to the Archbishops' Council and Church Commissioners on the prioritisation and allocation of the funding.

5

The Church Commissioners' Board and Archbishops' Council approve the respective funding streams, informed by the TFWG.

6

Funding is distributed to the Church by the Church Commissioners and Archbishops' Council via the following funding categories:

1. **Historical (including Pensions)**
2. **Transformational (time-limited)**
3. **Core**
4. **Strategic (ongoing)**

We undertake interim annual updates and more detailed calculations every three years. In this way, we can provide a good deal of notice if there is a significant risk to future funding levels. We aim to give at least one triennium's notice of any change in planned funding.