GS Misc. 1472 National Funding for Diocesan Ministry Review

An Overview of the Economy of the Church and the Initial Data Supporting the Review

THE CHURCH OF ENGLAND
NATIONAL CHURCH INSTITUTIONS

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Introduction from NFDM Co-chairs

The review of National Funding for Diocesan Ministry requested by the General Synod in 2025 comes at a moment of both challenge and opportunity for the Church of England. As we seek to serve God's mission in changing communities across the country, it is right that we take careful time to reflect on whether our funding arrangements continue to support ministry faithfully, fairly and effectively.

Following the update to General Synod in July 2026 (GS Misc. 1464), the detailed work of the review is now underway. The Steering Group has requested a contextual data and information pack to provide a shared foundation for the discernment ahead. The first draft of this pack is presented here. Drawing on work from across the National Church Institutions, it brings together evidence on population change, patterns of faith and church participation, current funding arrangements and the history that has shaped them. The intention is not to predetermine any conclusions, but to deepen our shared understanding as we consider how our resources might be stewarded wisely and faithfully for the future.

How we share our resources expresses something important about who we are as a Church – what we value, our responsibilities for one another, and our shared commitment to serve every community across the country. The pressures on our resources are real and require difficult choices, but we should resist allowing those pressures to become a theology of scarcity, just as we should resist acting as though our resources are unlimited. Our task is one of discernment. To listen carefully to the realities facing dioceses and parishes, recognise with gratitude what has been entrusted to us, and consider together how it can be shared wisely, faithfully and generously for the future.

The data presented here is an evolving evidence base and will be developed further over the coming months as work in additional areas, including vocations, is completed. This will enable the review to continue to be informed by a growing understanding of the different contexts, opportunities and pressures facing the Church. Updates will be made available through the NFDM section of the Church of England website and in future papers to the General Synod.

As co-chairs, we commend this material to you and invite your engagement with it. If there are perspectives, insights or sources of evidence that would strengthen this shared understanding, we would be delighted to hear from you.

+Michael Beasley +David Walker

Background

The National Funding for Diocesan Ministry Review is intended to support the Church in considering how national funding is disbursed to dioceses to grow mission and ministry across diverse local contexts. Recognising that mission and ministry are inseparable in practice, the project focuses on the approaches through which national funding is made available, rather than on the overall level of funding or the balance between funding streams.

The term National Funding should be understood almost as a form of shorthand. More accurately, it describes the process by which income from the Church Commissioners' endowment is disbursed by the Archbishop's Council to the dioceses that make up the Church of England.

This work began in response to a clear request from General Synod to look again at how income from the Commissioners' endowment is distributed to dioceses in support of mission and ministry. The motion passed by General Synod in July 2025 is set out opposite.

The NFDM Steering Group recognises that the motion passed by Synod challenged the church to step back and ask some fundamental questions. The Steering Group is clear that the review is about more than funding mechanisms. It is about understanding the purpose of national funding and determining whether the current approach is the best way to support and enable sustainable, flourishing mission and ministry across the Church in the years ahead.

The membership of the Steering Group and the full terms of reference are set out on the NFDM Review pages on the Church of England Website.

During General Synod in November 2026, a separate paper (GS2473) will be presented which is a high-level overview of some key data about the Church of England today. Whilst GS2473 has complementary data and information for the understanding of the current context, that paper should not be recognised as a core part of the NFDM review process but has been produced by the Archbishops' Council and Church Commissioners as part of their ongoing engagement with Synod.

That this Synod, noting the precarious financial position of many dioceses, concerns about the approach to national funding, and the challenges of sustaining stipendiary ministry in dioceses:

a) Recognise the successful management of the Church's historic endowment over many years by the Church Commissioners, and the resulting significant uplift in recent triennia in distributions, and calls upon the Church Commissioners to continue to make available the maximum sustainable level of distributions in support of parishes and the work of clergy and other ministers;

b) welcome the greater level of stakeholder engagement which informed the spending plans for 2026-28, including the commitment to address concerns about clergy welfare through increasing clergy stipends and a range of other measures, and the commitment to increase funding for ministry in the most deprived communities;

c) call upon the Archbishops' Council and the Church Commissioners to continue that engagement from now on, including ensuring Synod has a more formal role in the development of the future Funding Framework at a formative stage, as proposed in the draft National Church Governance Measure; and

d) call upon the Business Committee of the General Synod to schedule early in the next triennium a full debate that will enable Synod to express its view on the approach to disbursing funding, including support for local stipendiary ministry. This should be based on robust financial modelling to avoid unintended consequences and to inform the development of the Funding Framework.

Scope of the Work

The proposed scope of the review focused on the Church's overall approach to funding diocesan ministry, in particular, looking at three major forms of national funding:

- Redistributive funding, principally Lowest Income Communities Funding.
- Diocesan investment funding through the Diocesan Investment Programme.
- Time-limited funding that supports transition and change.

The task is not simply to examine these funding streams individually, but to understand how they operate together as a system. This will include considering the incentives they create, the behaviours they encourage, and their impact on sustainability and ministry across different diocesan contexts.

The Group is planning analysis which will deliberately test whether alternative approaches might better support the Church's mission in the future. While the review is informed by current arrangements, the Group is clear that the work should not be constrained by them.

The Group has also recognised that diocesan funding does not exist in isolation. Although areas such as Net Zero, Racial Justice and Giving funding are not formally within scope, they form part of the wider financial environment that shapes diocesan decision-making, capacity and priorities, and need to be understood as part of the wider eco-system of the whole Church economy.

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Boundaries

The Steering Group has been very clear of the boundaries to the review.

- the review is not determining the overall level of disbursement available, decisions about the total funding envelope remain a matter for the Church Commissioners;
- the review is not reallocating resources between our Church's priorities or redesigning individual programmes. The focus is on the overall approach through which disbursement of income by the Archbishop's Council supports diocesan ministry;
- the Steering Group is not itself a decision-making body. The Steering Group's role is to develop options and recommendations for consideration by the House of Bishops, Archbishops' Council, the Church Commissioners and ultimately General Synod; and
- Any proposals the Steering Group brings forward must also be legally and practically deliverable, financially sustainable, and consistent with governance requirements.

Beyond that, the Steering Group is clear that the group's work needs to command confidence across the Church. These boundaries are important because they ensure that work remains focused on the questions Synod has asked to be addressed, while ensuring that any recommendations are credible and capable of implementation.

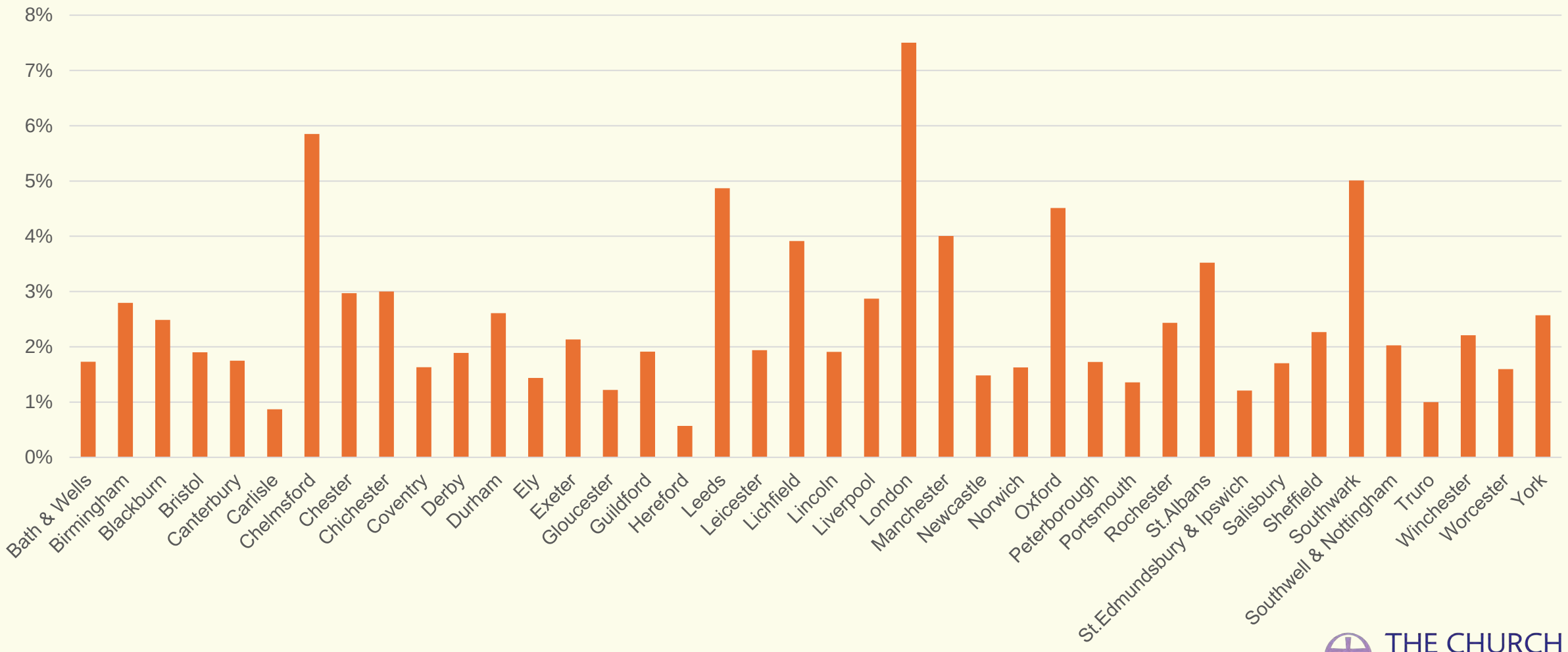
Overarching Trends in English Demography

Explored Nationally, by Diocese, and by Region

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Population Distribution

The chart shows Church of England dioceses by their share of national populations based on the Mid-Year Estimate 2025.



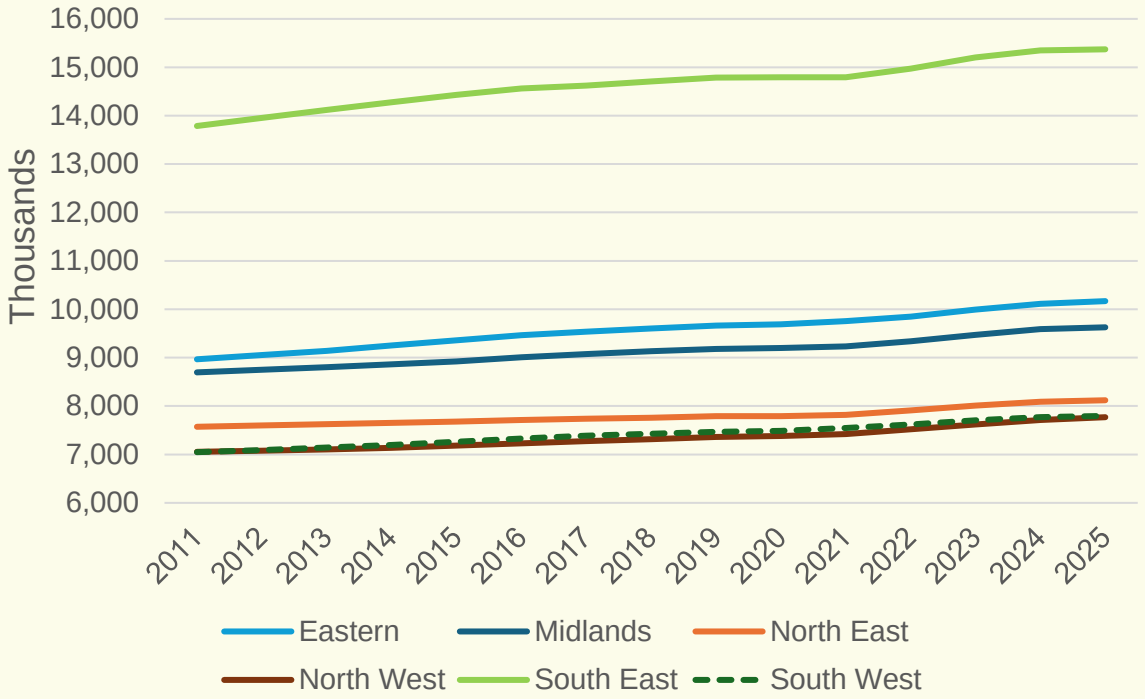
Data Source: Mid-Year Population Estimates, England & Wales, June 2025 (ONS)
Author: NFDM Project Team

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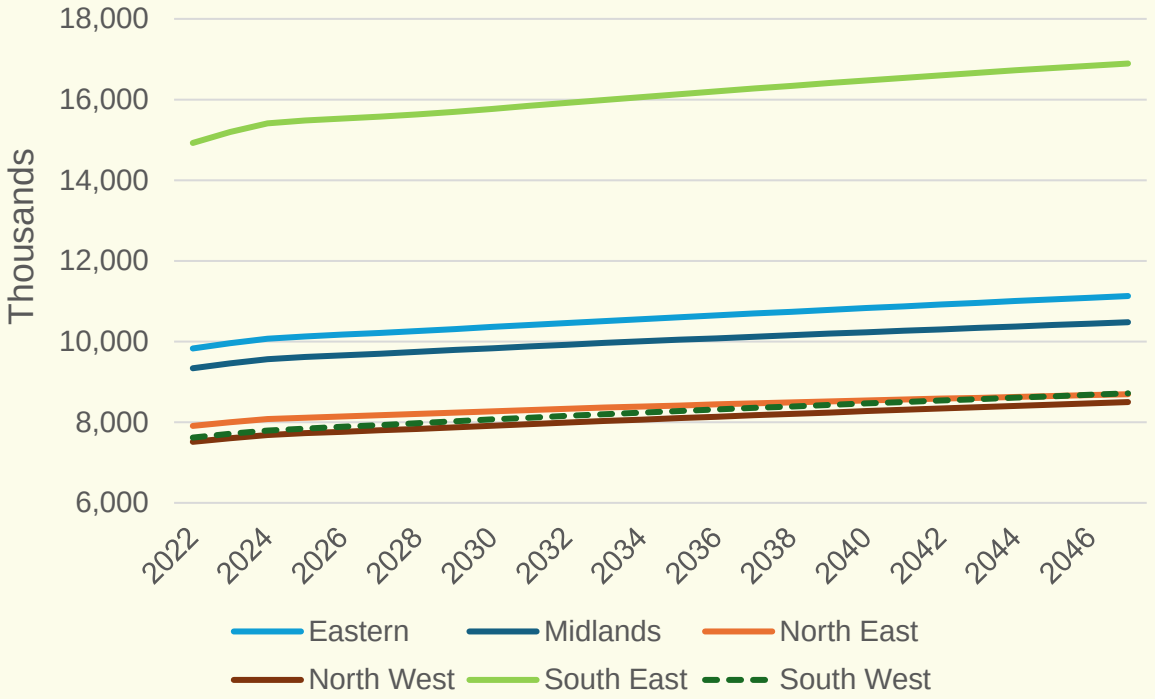
Population Growth

The population covered by the 40 English dioceses rose by 5.7 million (10.8%) between 2011 and 2025. The highest numerical increase (1.6 million) is in the South East region and the highest percentage in the Eastern region (13.4%). The population is projected to grow by 7.3 million (12.7%) between 2022 and 2047. The highest numerical increase is projected for the South East region (2.0 million) and highest percentage increase for the South West region (14.4%). Owing to clustered data points and in the pursuit of greater readability, the vertical axes start at 6m, and the South West is represented with a dashed line.

Regions by Estimated Population Change, 2011-25



Regions by Projected Population Change, 2022-47

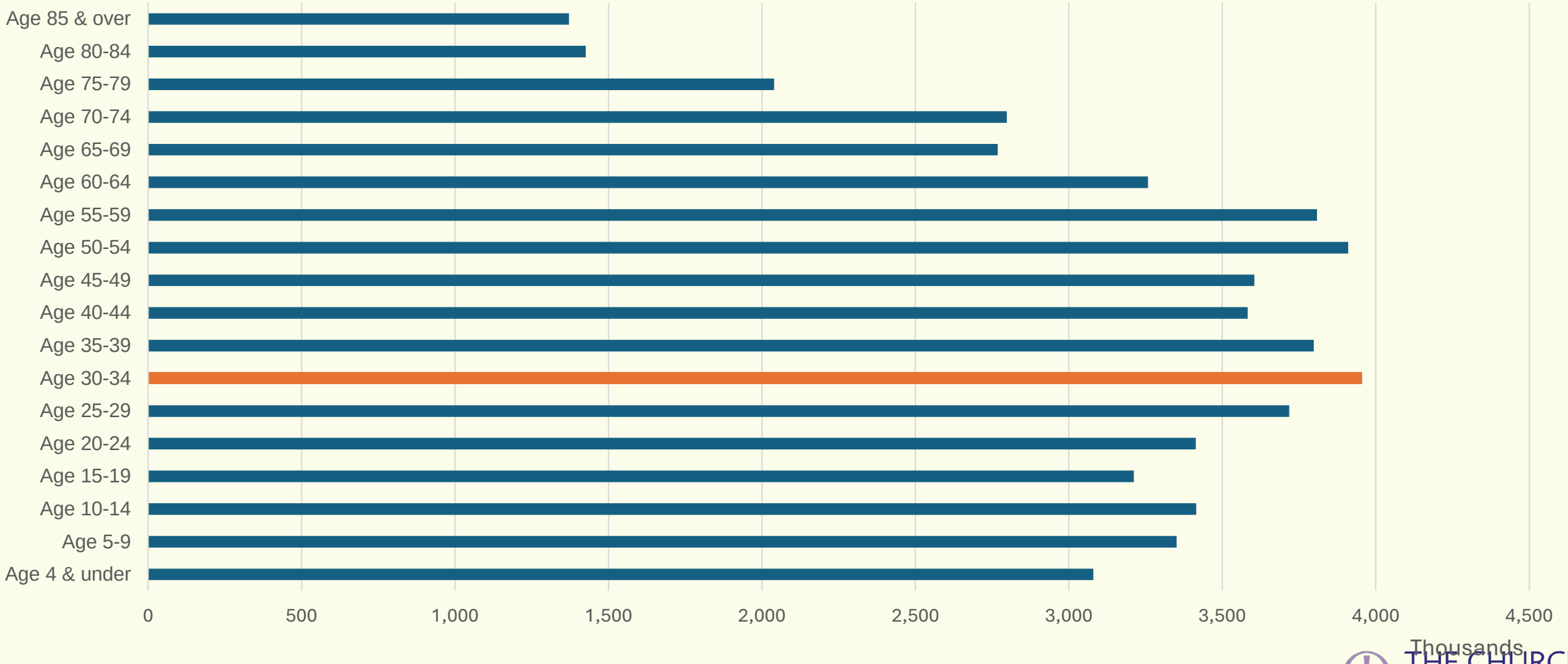


Data Sources: Mid-Year Population Estimates, England & Wales (ONS)
2022-based sub-national population projections, 2022-2047 (ONS)
2022-based population projections by local authority, 2022-2047 (Welsh Government)
Author: NFDM Project Team

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Age Profiles

The chart shows the population covered by the 40 English dioceses by five-year age band. The 30-34 year age band formed 7.0% of the total, a share that varies by diocese from 5.3% in Hereford to 9.3% in London and Southwark. Taken from 2021 Census.

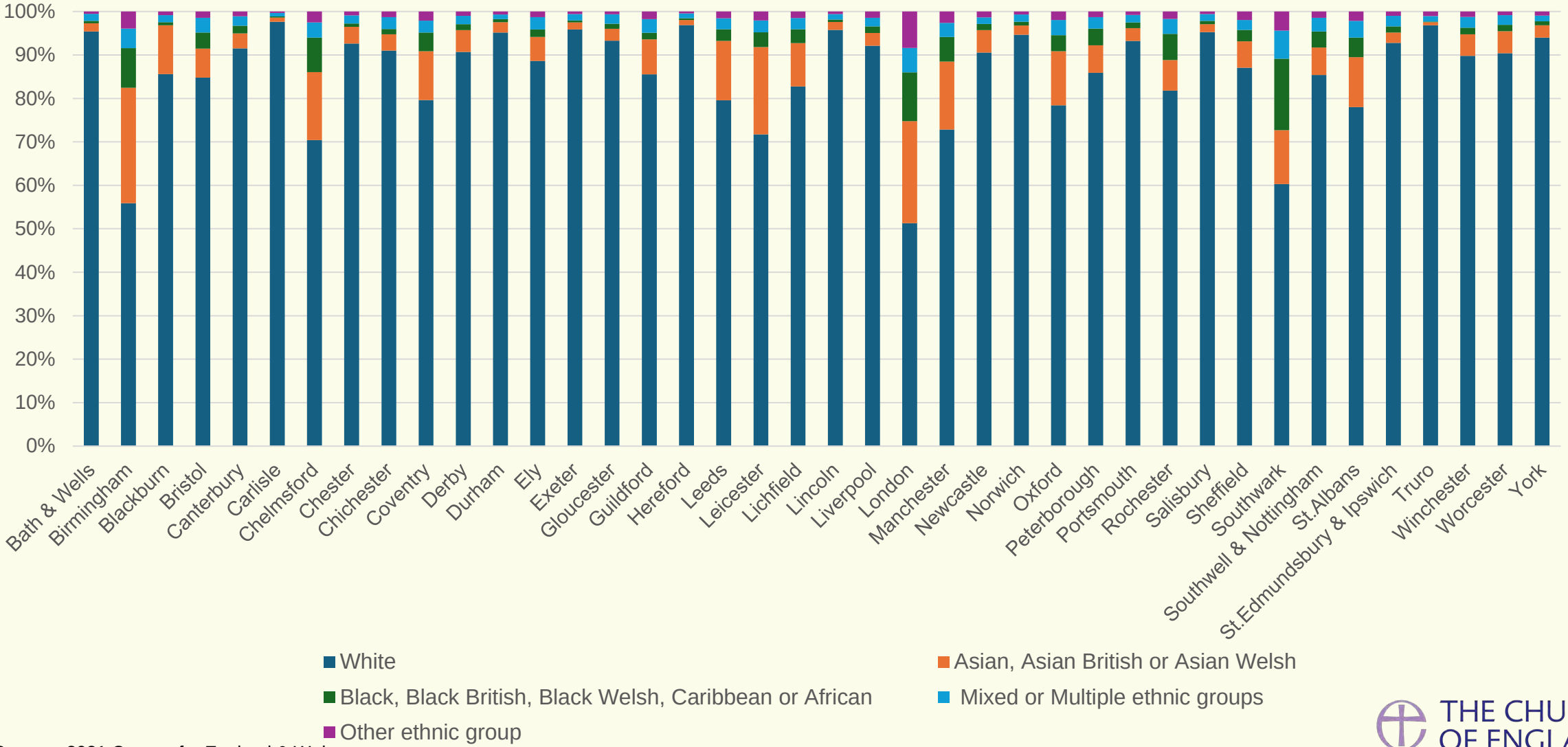


Data Source: 2021 Census for England & Wales
Author: NFDM Project Team

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Ethnicity

The chart shows the composition of diocesan populations by broad ethnic group. Taken from 2021 Census.

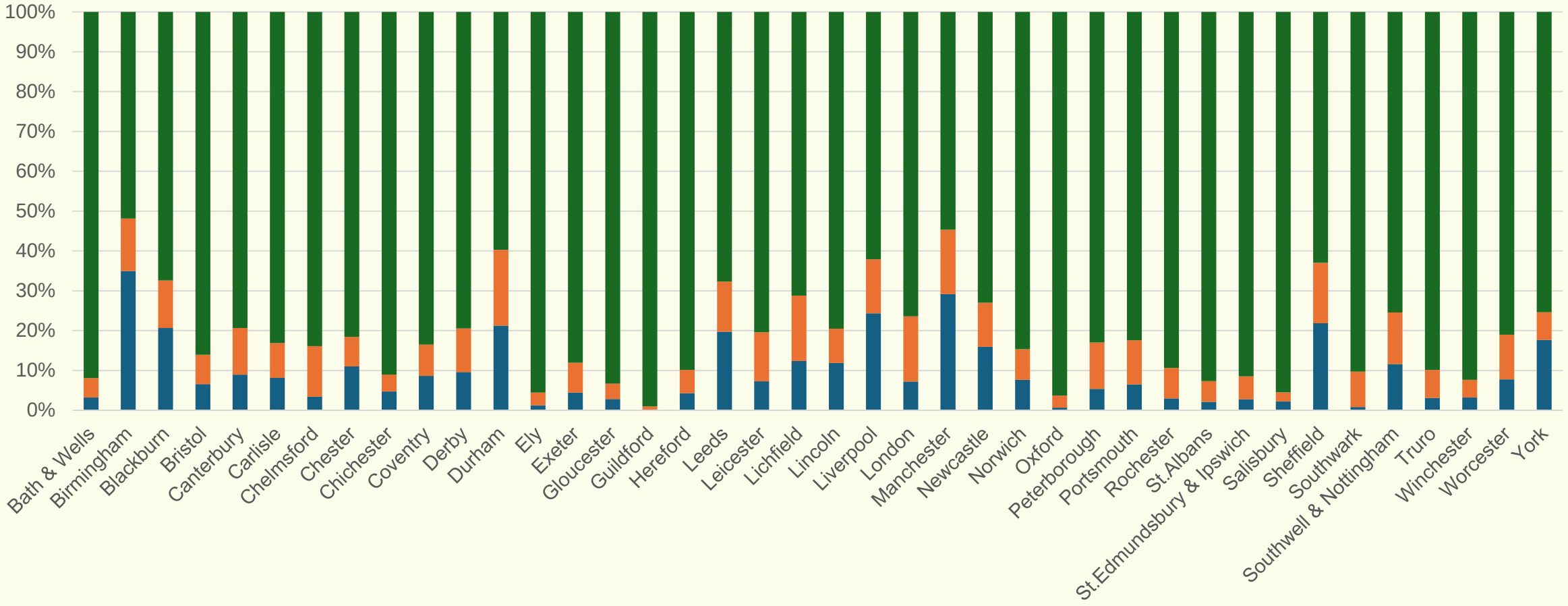


Data Source: 2021 Census for England & Wales
Author: NFDM Project Team

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Social and Economic Disadvantage

The chart shows the proportion of the population of dioceses living in areas (LSOAs) ranked within the most deprived 10% and most deprived 20% on the Government Index of Multiple Deprivation 2025. In Birmingham (48.1%), Manchester (45.3%) and Durham (40.3%) more than four in ten people live within the most deprived 20% of areas.

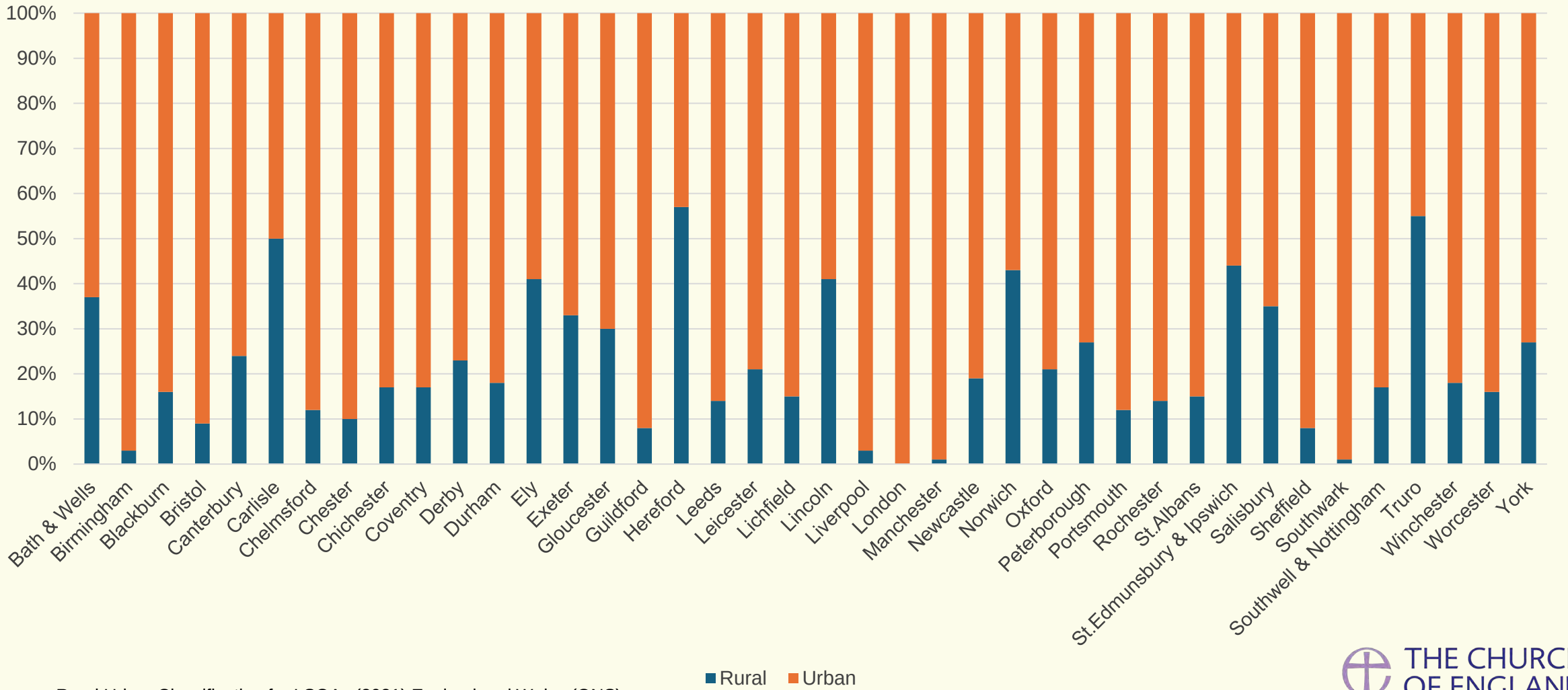


Data Source: English Indices of Deprivation 2025 (MHCLG)
Author: NFDM Project Team

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Rurality and Settlement Patterns

The chart shows the percentage of diocesan populations living in rural and urban areas. In most dioceses settlement patterns tend towards more urban areas. In Hereford (57%), Truro (55%) and Carlisle (50%) rural populations form half or more of the total. Taken from Rural Urban Classification 2021.



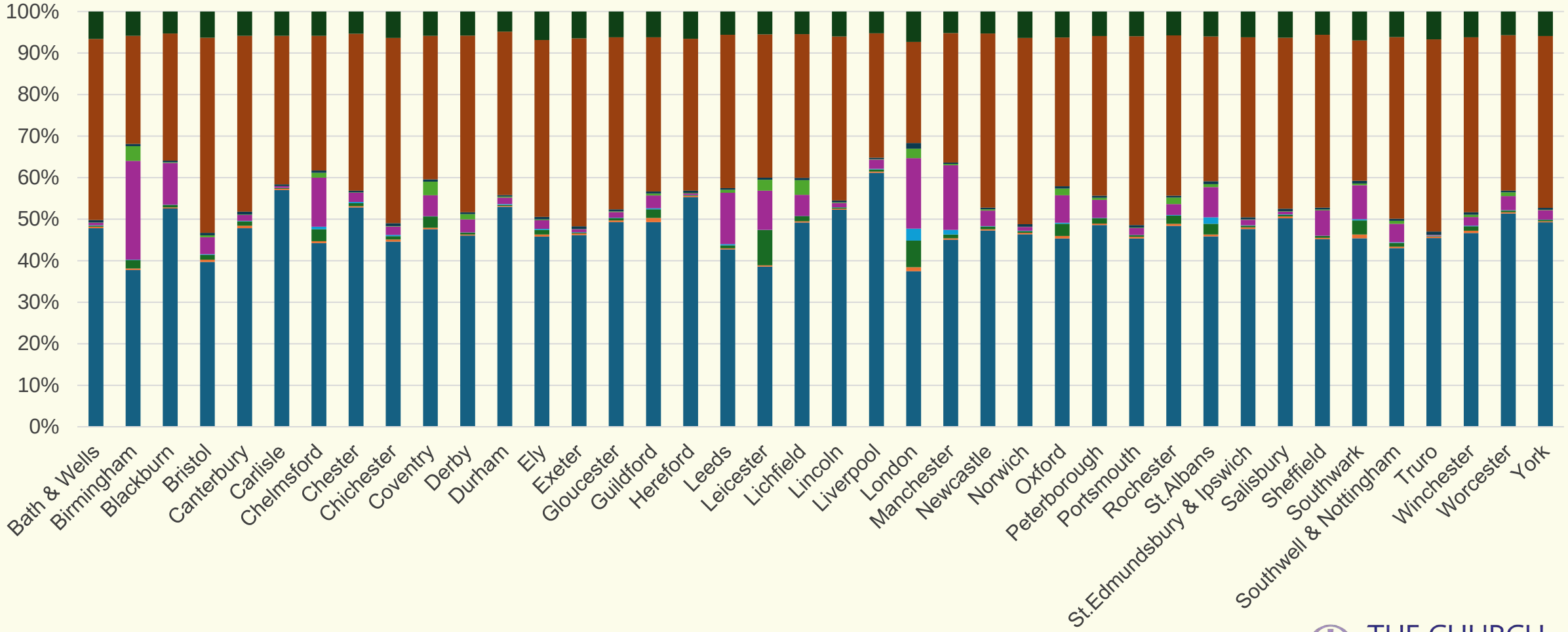
Data Source: Rural Urban Classification for LSOAs (2021) England and Wales (ONS)
Author: NFDM Project Team

Church Participation and Religious Affiliation

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Religious Affiliation

The chart shows the composition of diocesan populations by religious affiliation. Christian affiliation stands at 46.3% nationally and is highest in Liverpool (61.2%) and lowest in London (37.4%) It is noted that (i) affiliation is not evidence of belief or practice, and that (ii) total populations include those who did not answer the voluntary question. Taken from 2021 Census.

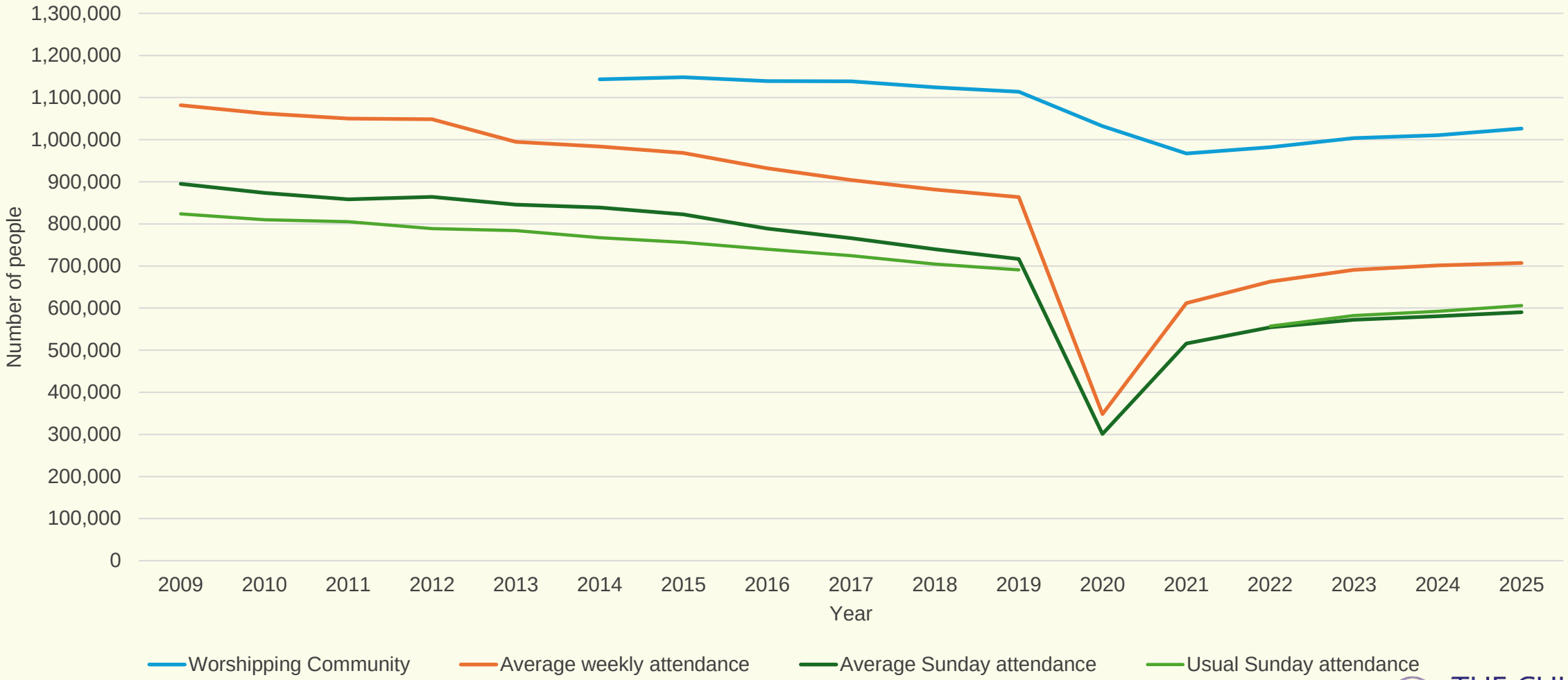


Data Source: 2021 Census for England & Wales
Author: NFDM Project Team

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Church of England Participation Trends

This chart demonstrates attendance levels in the Church of England between 2009 to 2025. Information is gathered through four differing metrics which are shown with different colours.

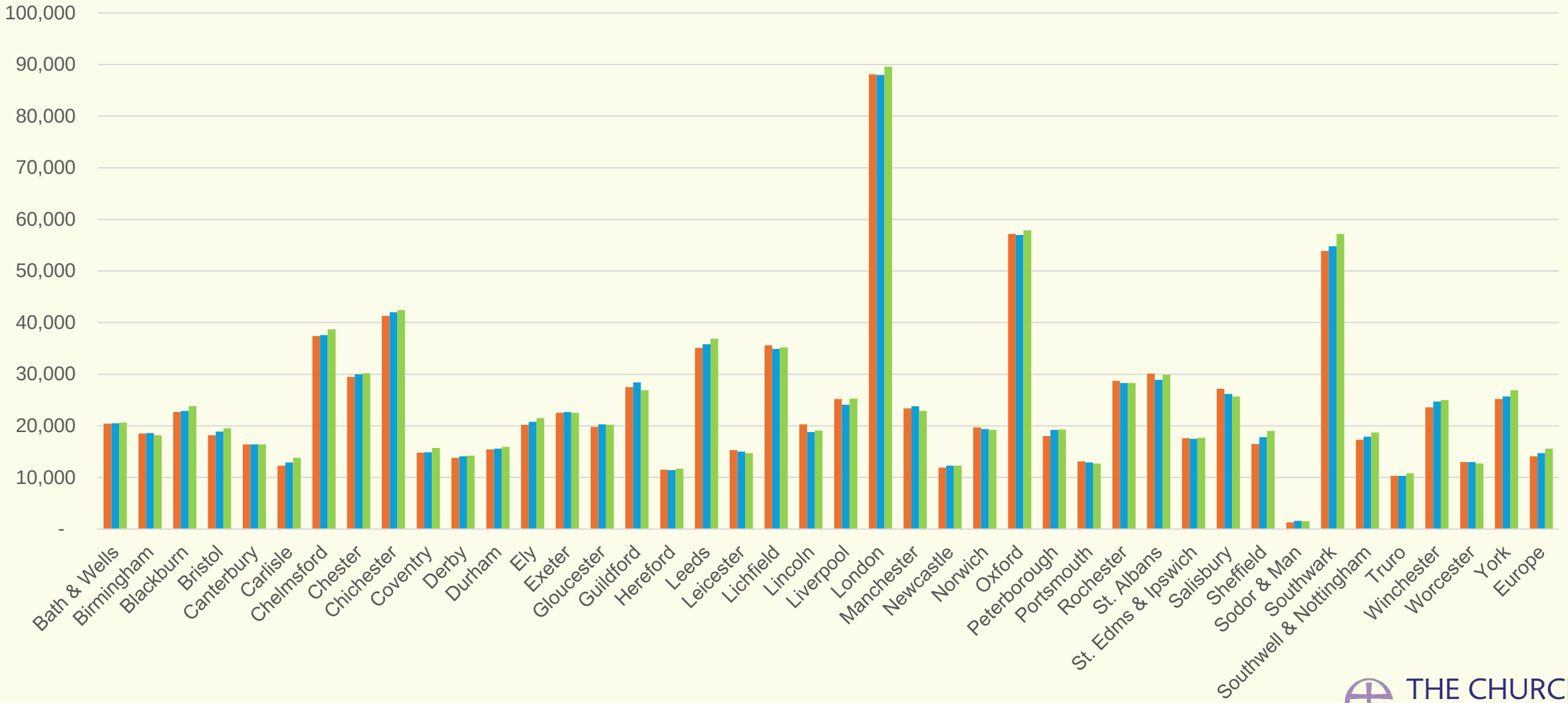


Data Source: Statistics for Mission 2025
Author: Data Services

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Worshipping Community 2023-25

This chart demonstrates total Worshipping Community between 2023 and 2025 broken down by diocese.

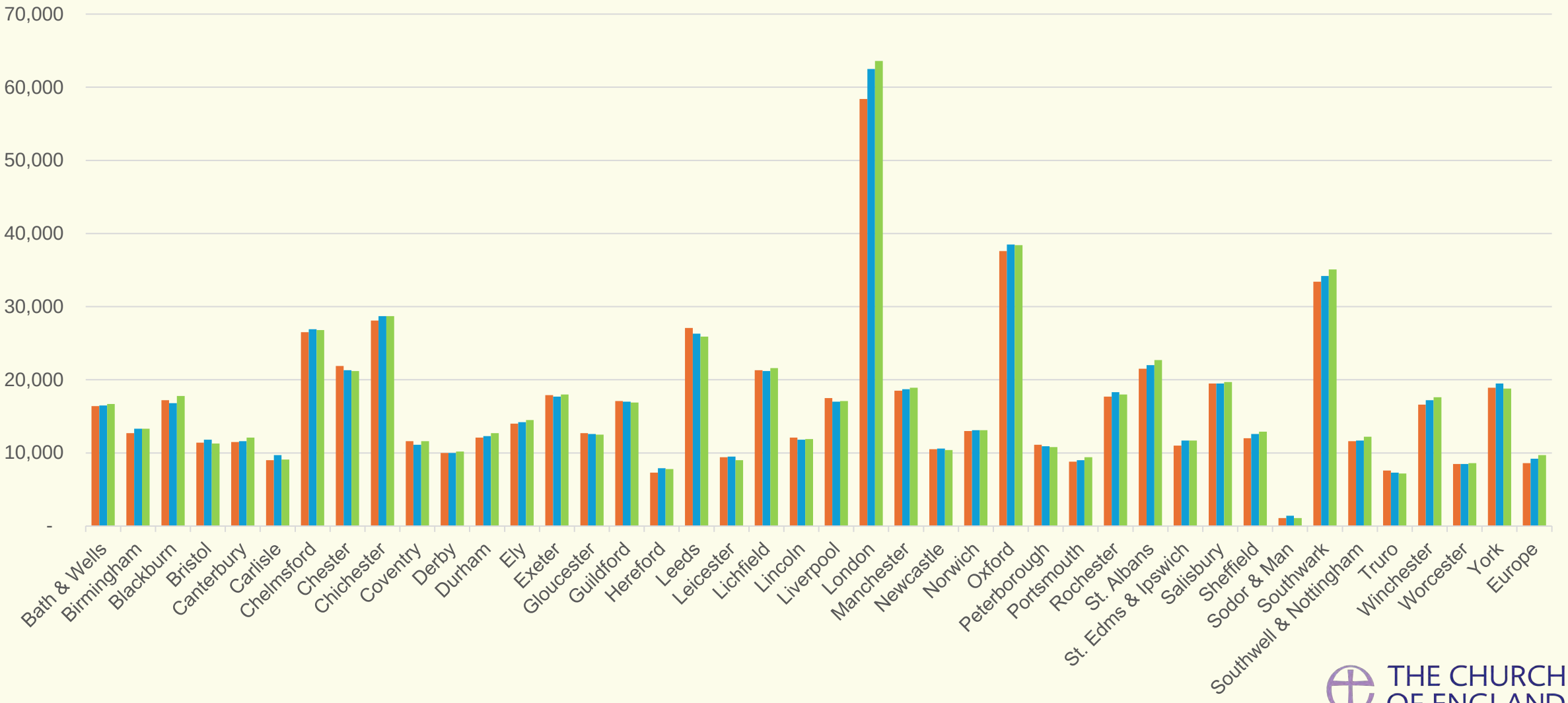


Data Source: Statistics for Mission 2025
Author: Data Services

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Average Weekly Attendance 2023-25

This chart demonstrates Average Weekly Attendance between 2023 and 2025 broken down by diocese.

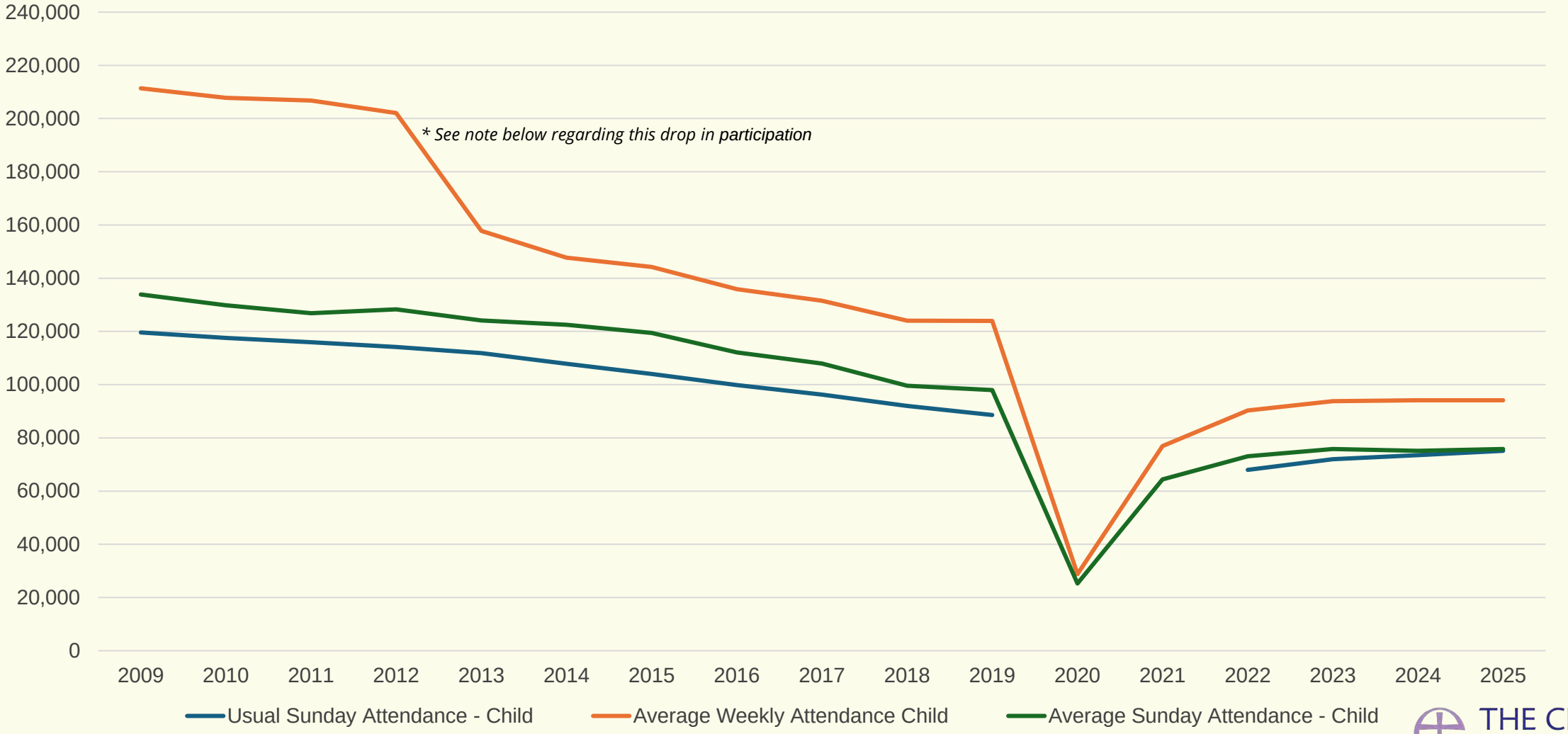


Data Source: Statistics for Mission 2025
Author: Data Services

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Children & Young People's Participation Trends

This chart demonstrates Under 18 attendance levels in the Church of England between 2009 to 2025. Information is gathered through three differing metrics which are shown with different colours.



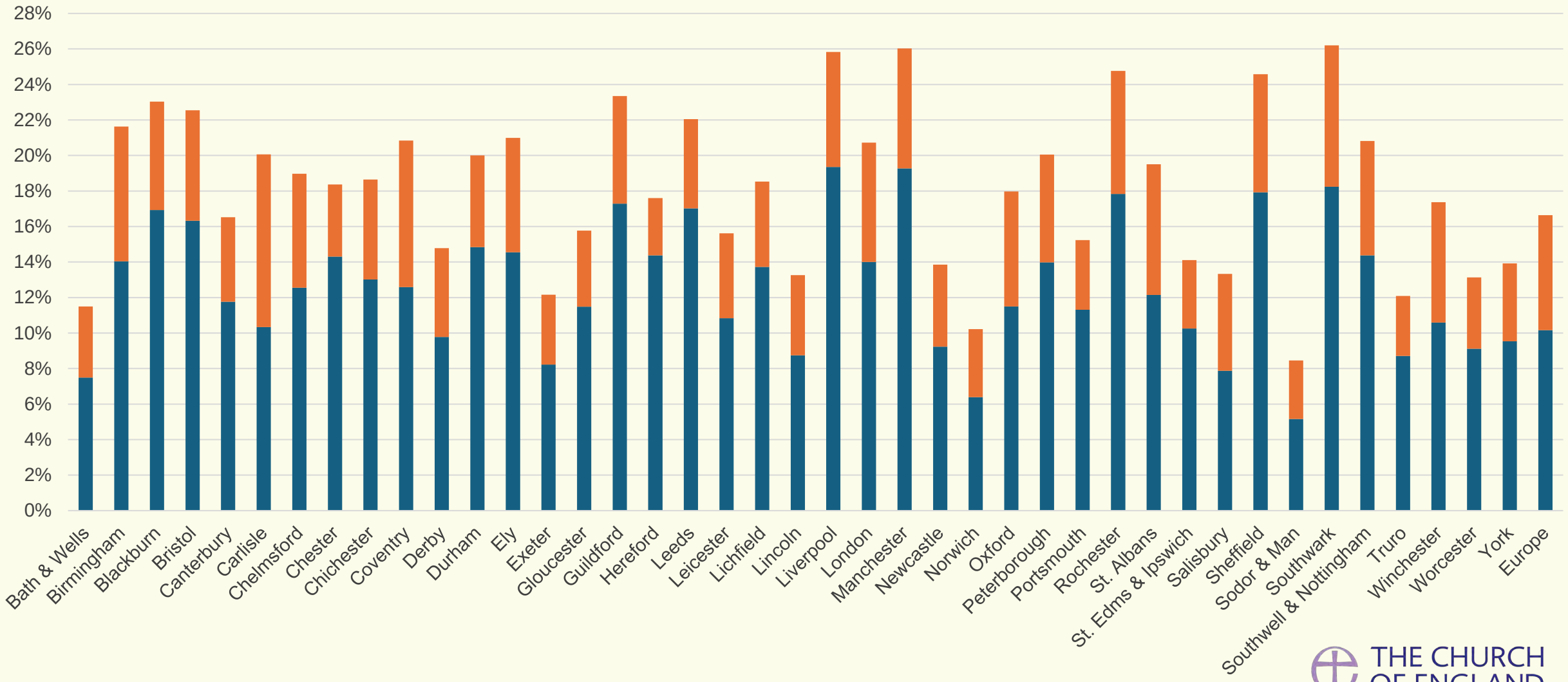
Data Source: Statistics for Mission 2025
Author: Data Services/NFDM Project Team

** In 2013, the October count question was altered to ask explicitly about attendance at school services taking place in church, and therefore child average weekly attendance as calculated from the October figures pre- and post-2013 are not directly comparable.*

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Children and Young People by Diocese

This chart demonstrates percentage of the 2025 Worshipping Community broken down by age into two groups; 0-10, and 11-17. This is also split by diocese.

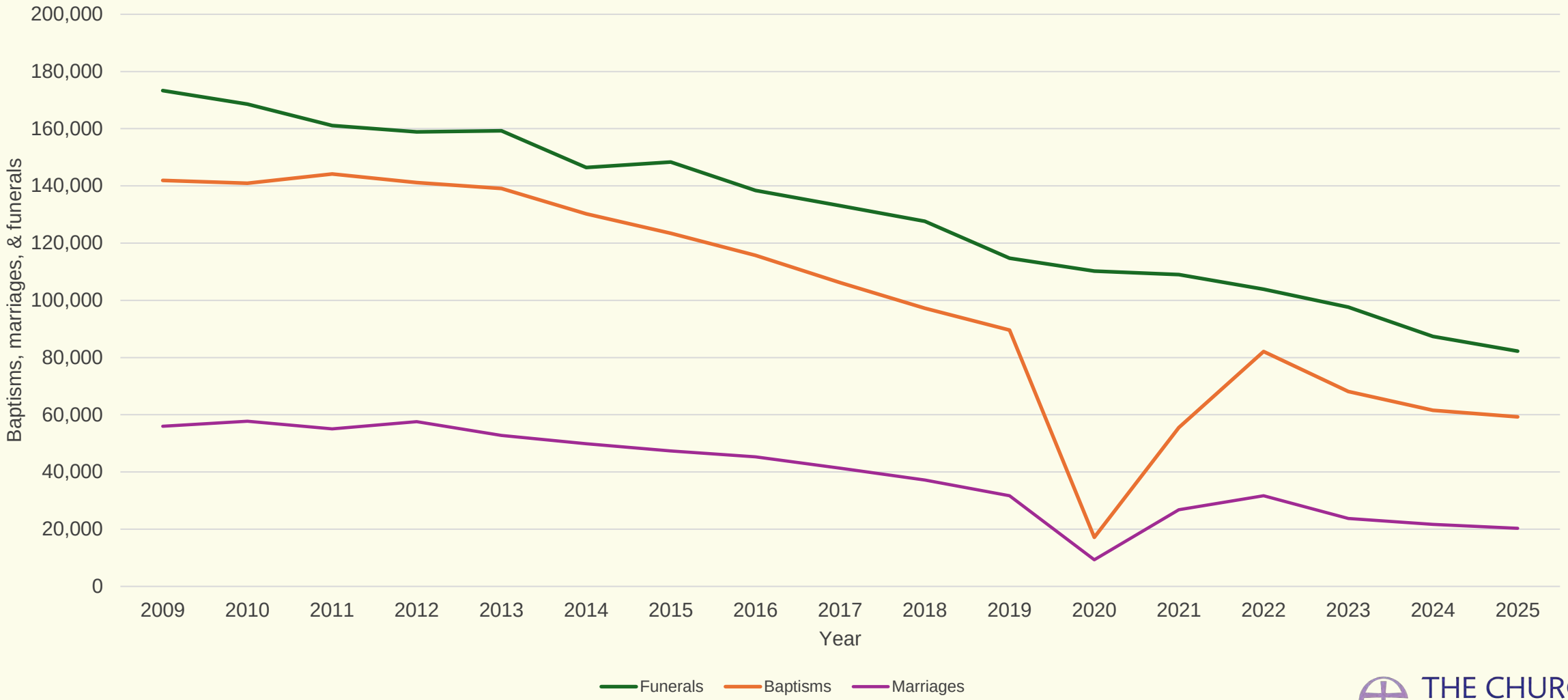


Data Source: Statistics for Mission 2025
Author: Data Services

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Occasional Offices Trends

This chart demonstrates numbers of funerals, baptisms, and marriages between 2009 and 2025.



Data Source: Statistics for Mission 2025
Author: Data Services

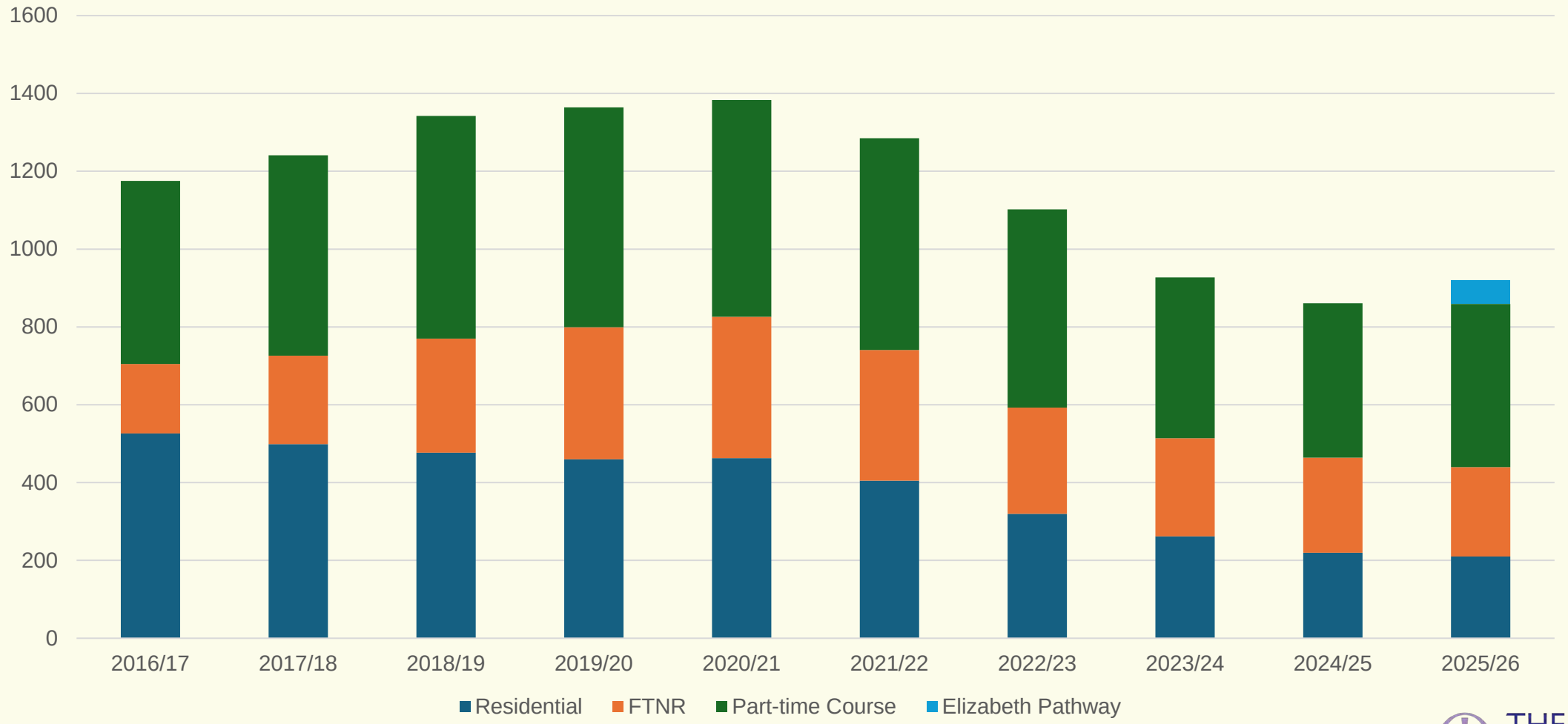
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Christian Presence and Ministry Deployment

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Ordinands 2016-2026

The total number of ordinands peaked in 2020/21 with 1383 in training. With the introduction of the Elizabeth Pathway in 2025, there has been an increase in numbers training. In 2025/26 there were 920 in training. 2026/27 is expected to be slightly higher.

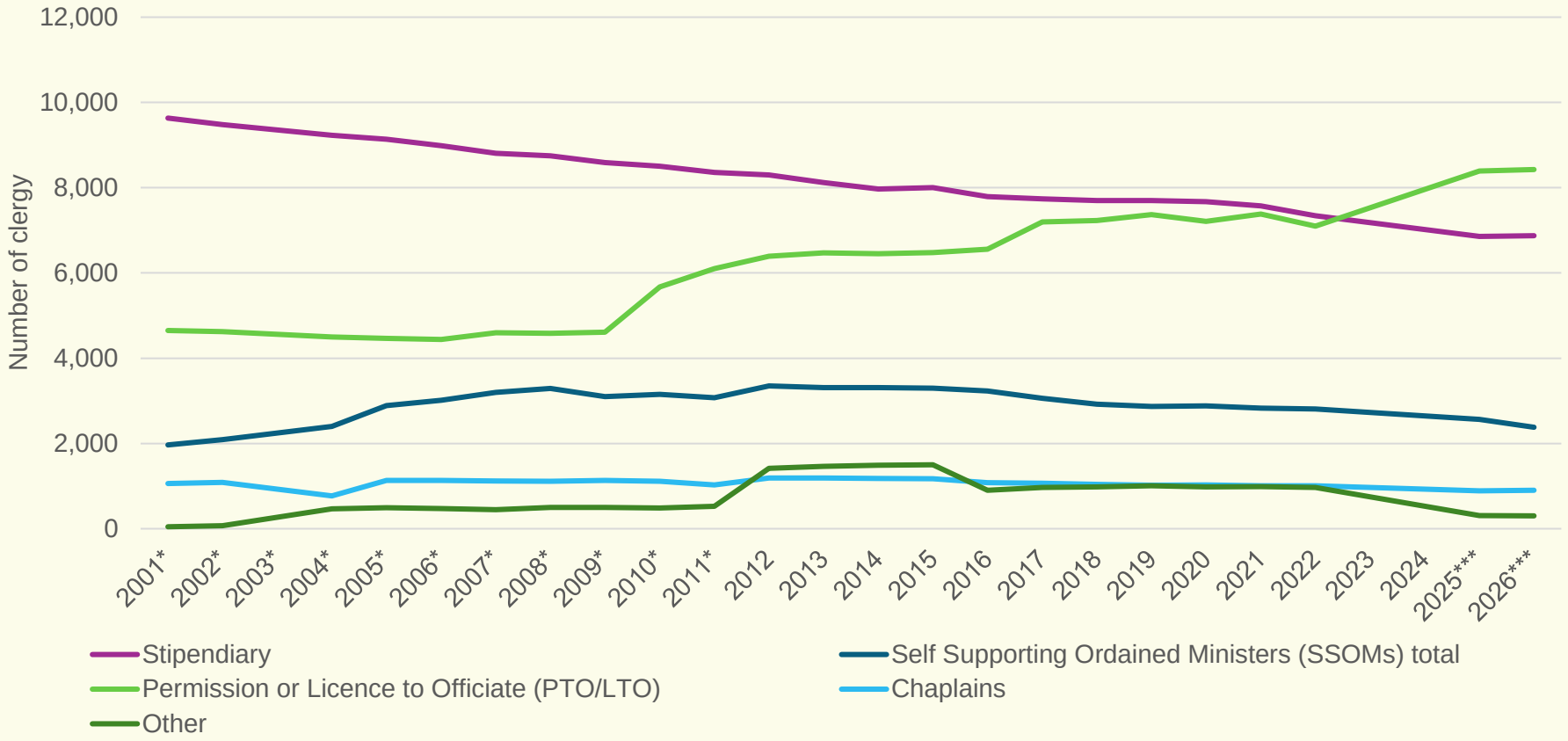


Data Source: Ministry Statistics
Author: Ministry Development Team

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Ministry Workforce Overview

The total number of stipendiary clergy has continued to decrease over the past 25 years, while the number with permission to officiate has increased.



Type of ministry	2026
Stipendiary	6872
Self Supporting Ordained Ministers	2381
Permission or Licence to Officiate (PTO/LTO)	8426
Chaplains	900
Other	303
Total in active ordained ministry	18075

** Data from pre-2012 are not directly comparable with data from 2012 onwards due to differing methodology and should only be compared indicatively.*

**** With the introduction of the People System, data from 2025 is not directly comparable with data from 2012-2022. Stipendiary data for Sodor and Man not included in totals from 2025. 2026 data is as of August 2026. This includes ministers with PTO that may not have been included in previous national datasets.*

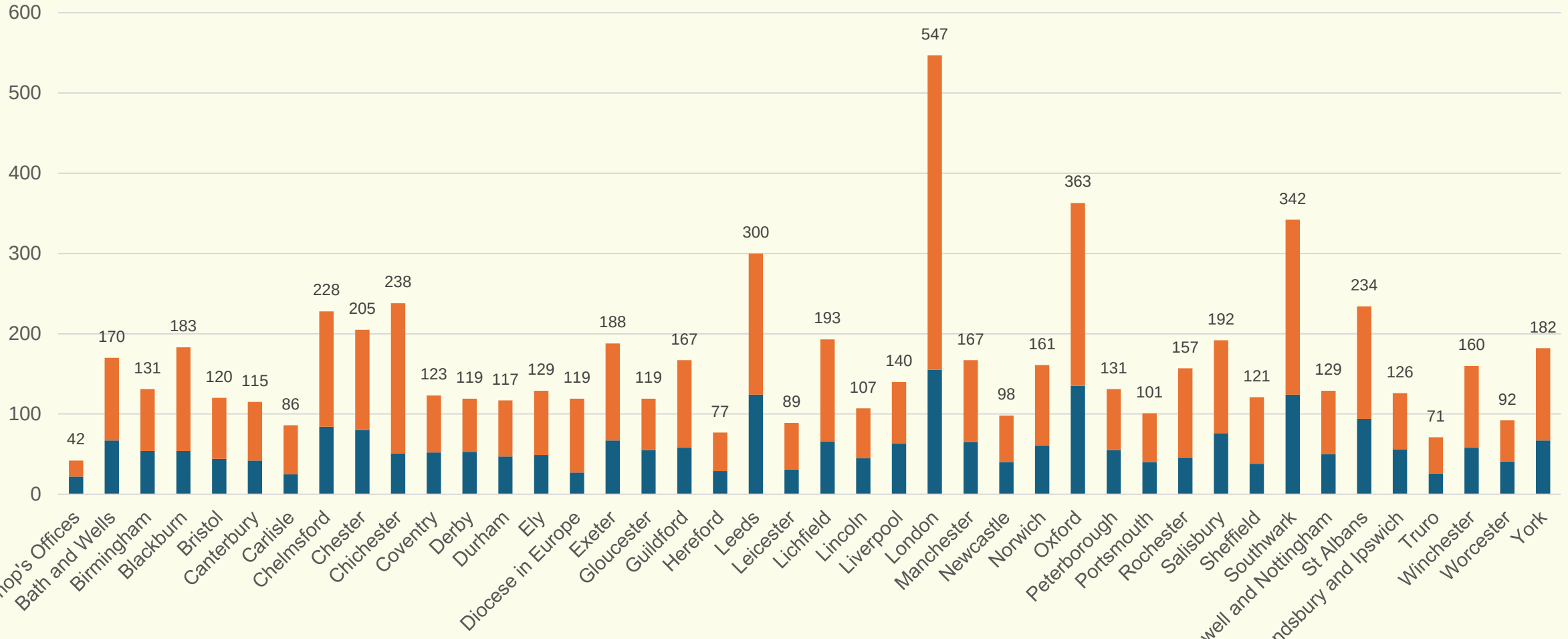
Stipendiary figures for 2026 include the Diocese in Europe, but do not include the Diocese of Sodor and Man.

Data Source: Ministry Statistics
Author: Ministry Development Team

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Ministry Workforce Geographical

Number of stipendiary clergy in total in each diocese, represented by male or female.



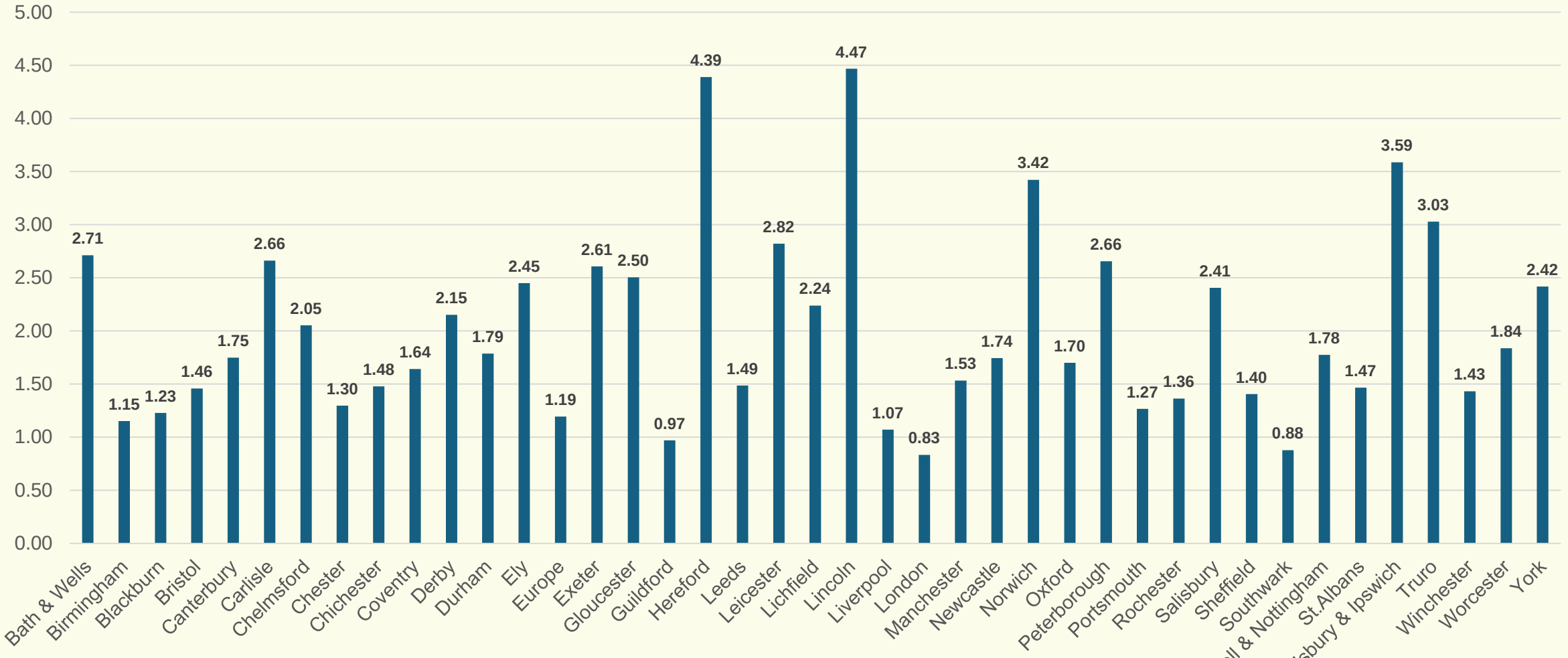
Data Source: Ministry Statistics

Author: Ministry Development Team/NFDM Project Team

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Parishes per Clergy by Diocese

Averaged number of parishes per clergy, represented by diocese. A figure higher than 1 means that on average a member of clergy is responsible for more than one parish.

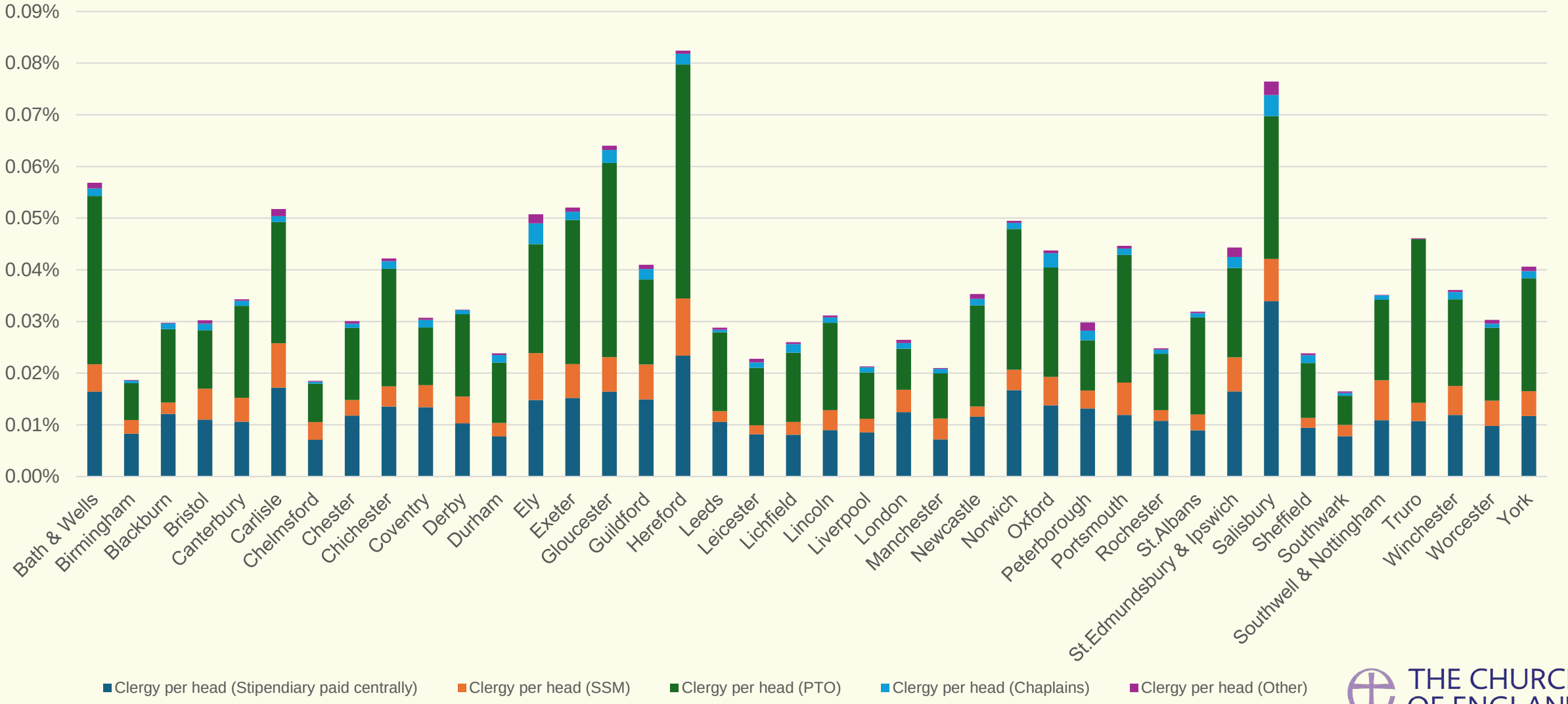


Data Source: Ministry Statistics
Author: Ministry Development Team/NFDM Project Team

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Clergy per Head of Population

This is a chart mapping numbers of clergy to members of the population by diocese as of 2025. Excludes the Diocese in Europe and the Diocese of Sodor and Man.

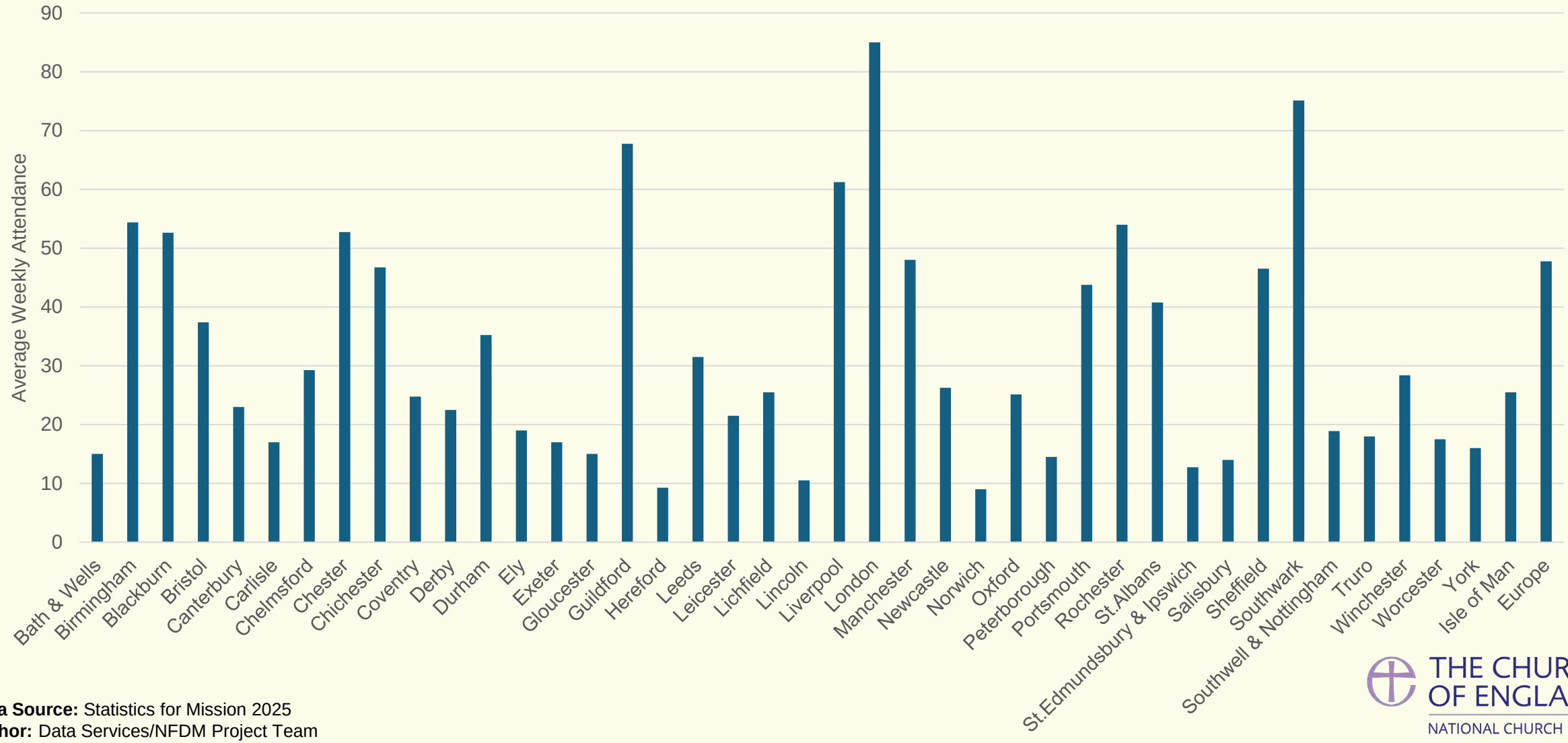


Data Source: Ministry Statistics
Author: Ministry Development Team/NFDM Project Team

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Median Church AWA

Figures are based on single church returns for 2025 providing sufficient data for all age Average Weekly Attendance to be calculated. These represent 89.7% of total returns, and between 79.4% and 95.4% of diocesan total returns. Due to missing data, care should be taken when interpreting the chart.



Data Source: Statistics for Mission 2025
Author: Data Services/NFDM Project Team

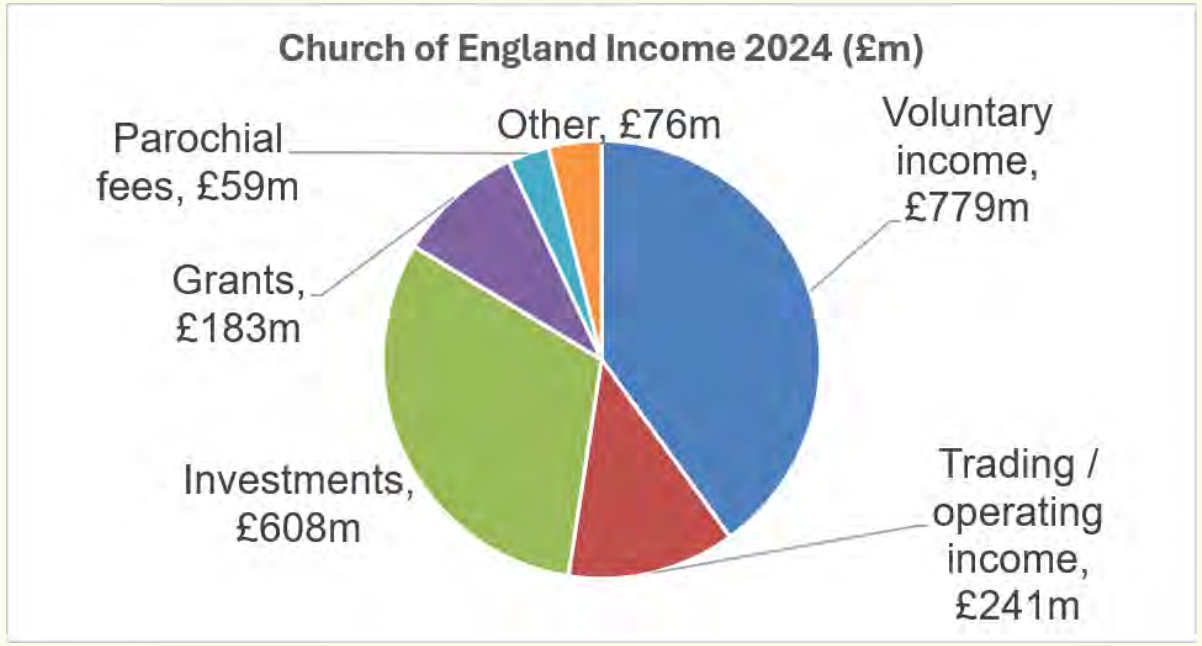
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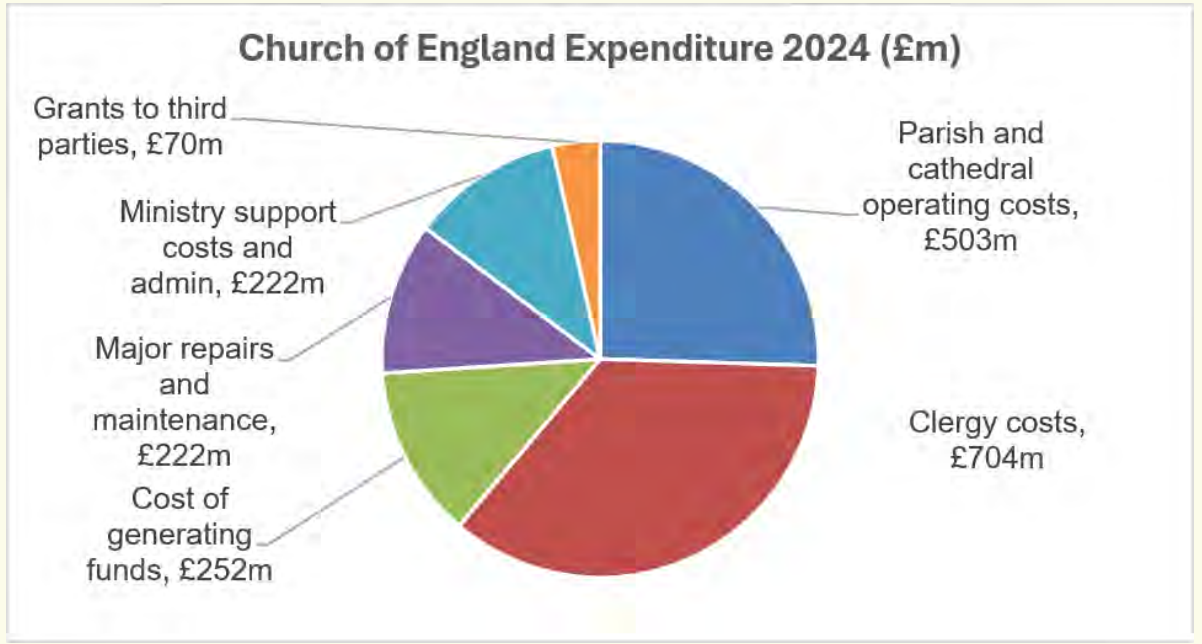
Church Economy

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Financial Overview of the Church

These two pie charts show income and expenditure of the Church of England, broken down by major cost areas.



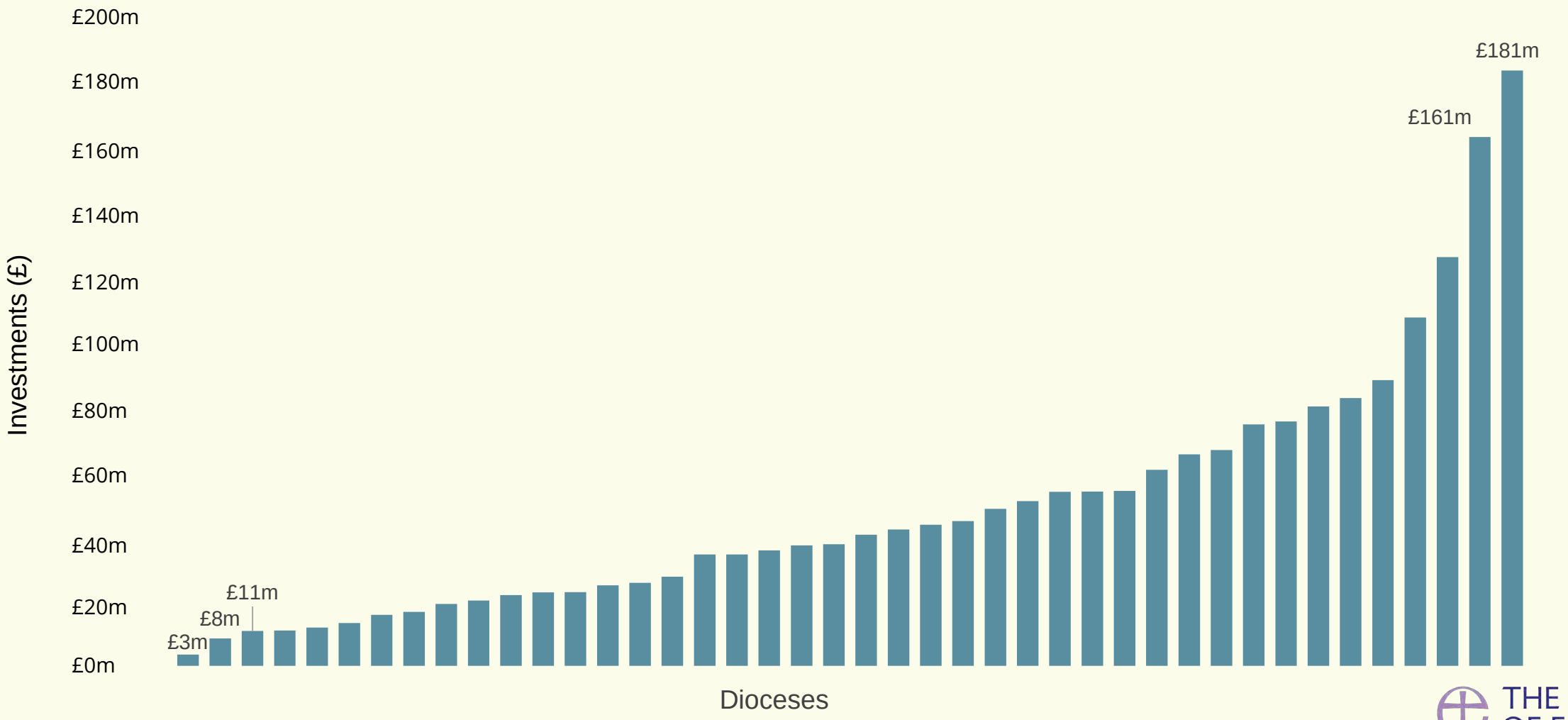


Data Source: Parish Finance Returns 2024 and Diocesan, Cathedral, and NCI Finance Data
Author: Data Services/Finance Team

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Distribution of Diocesan Assets

This chart shows assets/investments per diocese from lowest to highest, with diocesan names anonymised.

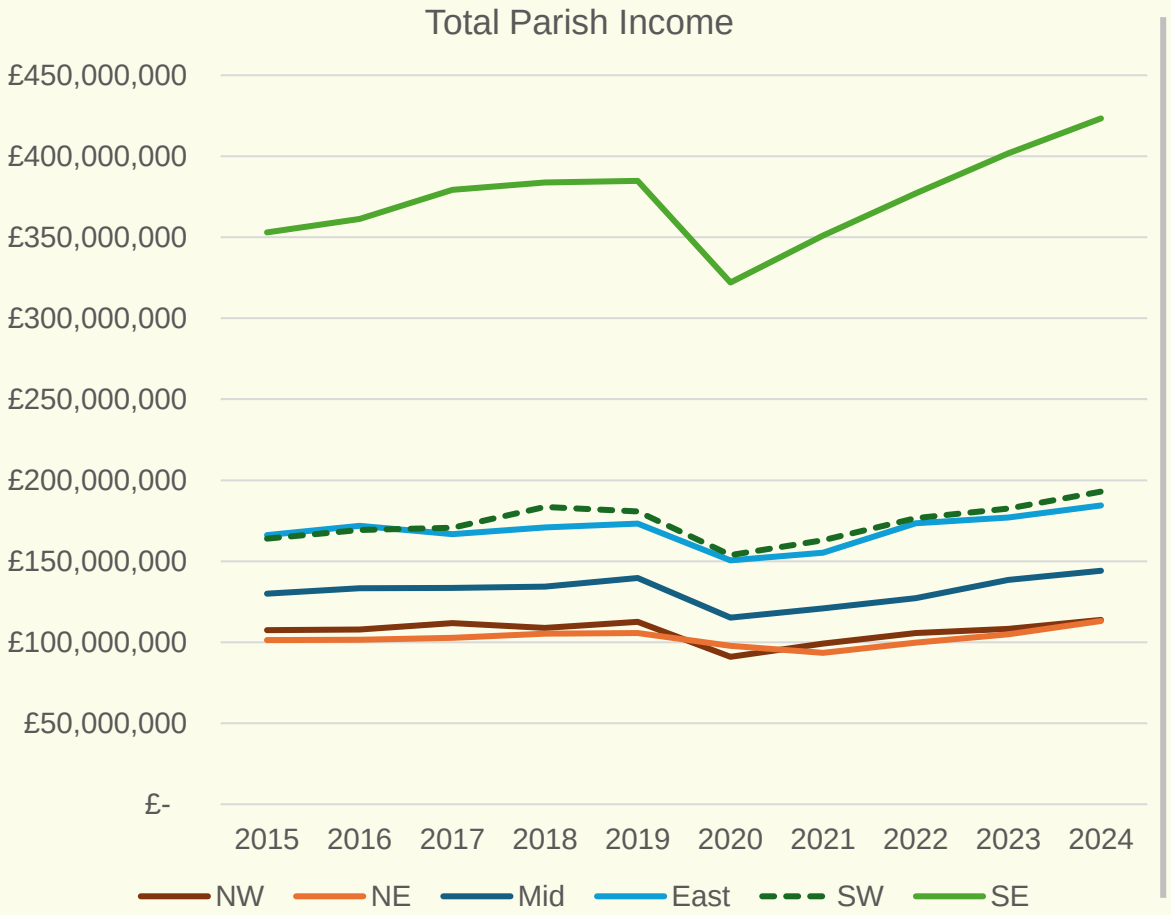


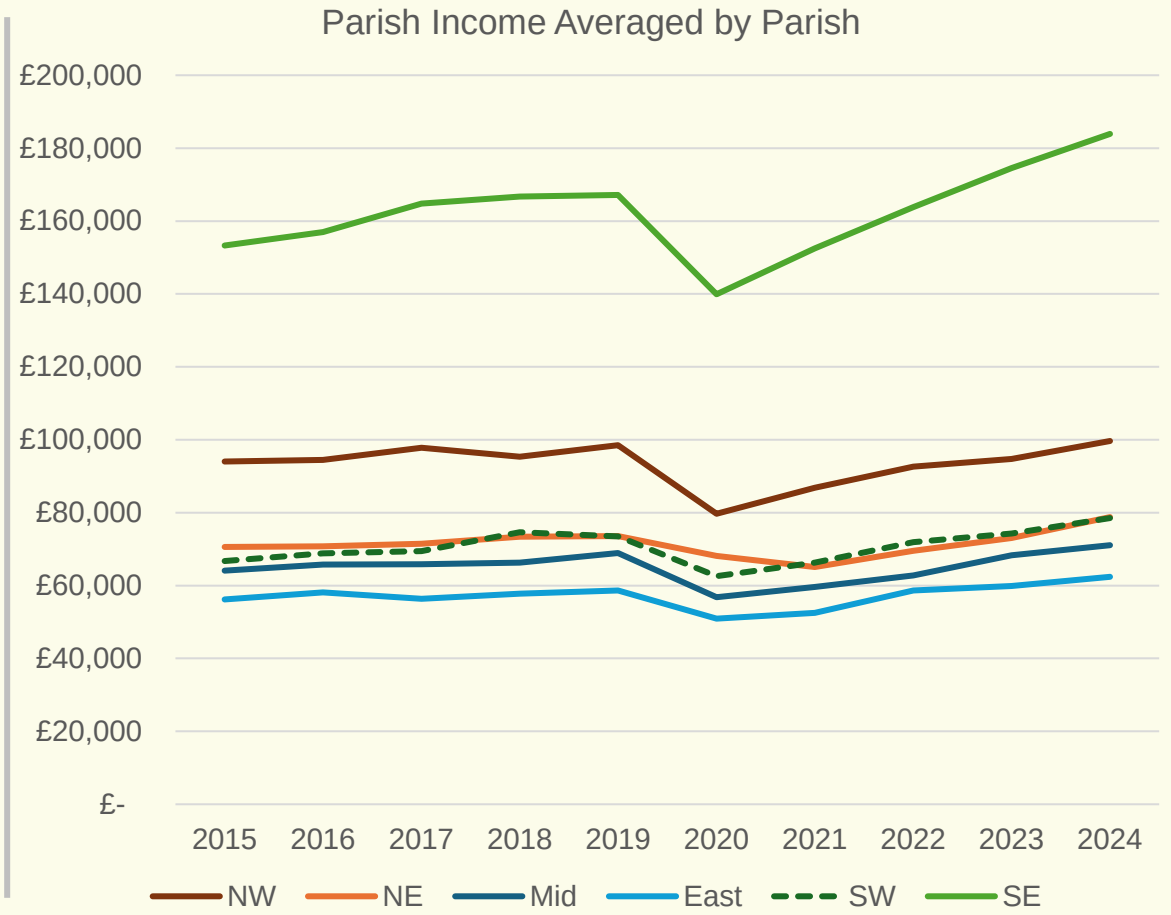
Author: V&S/Finance Team

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Income Trends by Region

These are two charts both representing parish income broken down by the six regions. On the left are the totals and on the right they are averaged by number of parishes. In the right-hand chart the North West and North East regions have risen above those in the Midlands, East, and South West. Owing to clustered data points and in the pursuit of greater readability, the South West is represented with a dashed line.



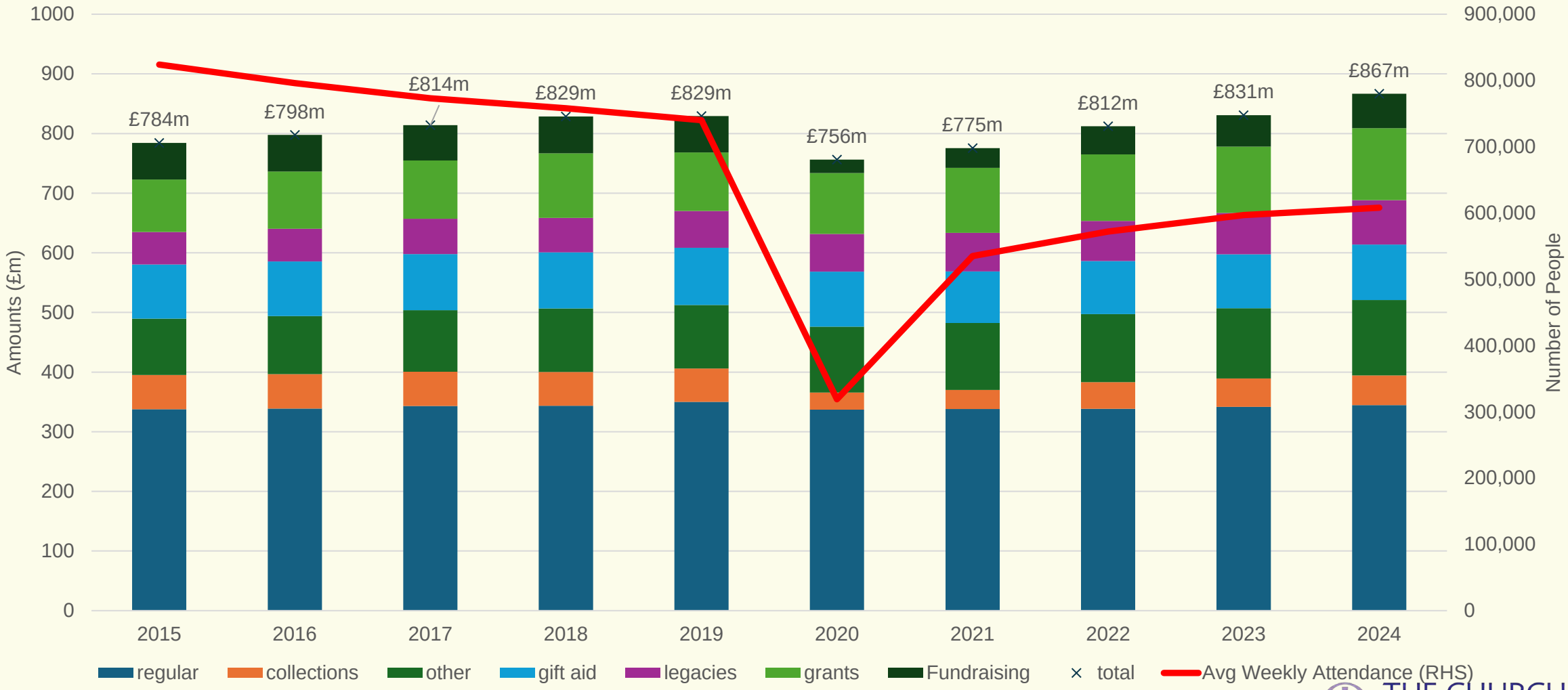


Data Source: Parish Finance Returns
Author: Data Services/National Giving Team

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Giving Trends

The columns represent total amounts given to churches nationwide from 2015 to 2024 displayed by category with numerical total above. The red line represents the number of Average Weekly Attendees with figures on the right-hand axes.

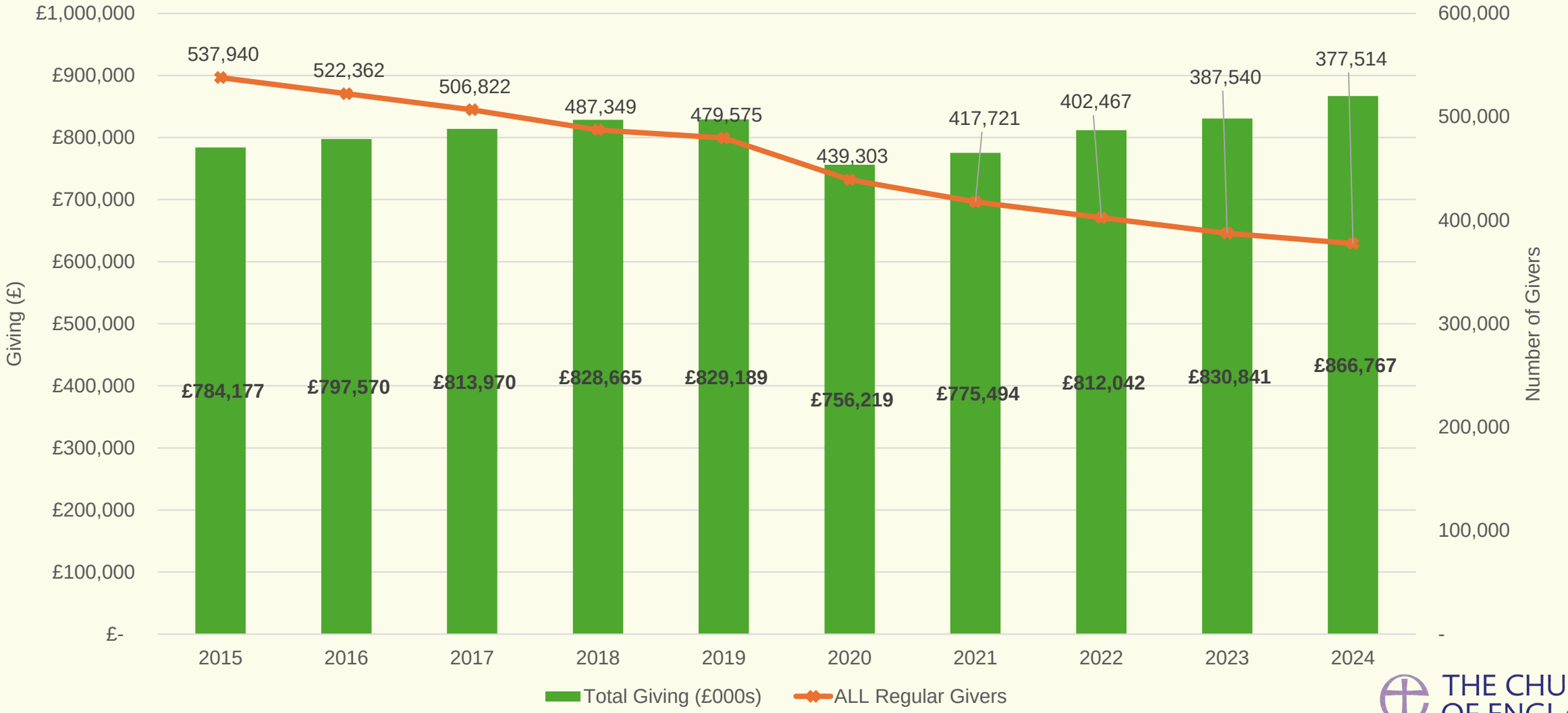


Data Source: Parish Finance Returns, Statistics for Mission
Author: Data Services/National Giving Team

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Givers and Giving

The columns represent total amounts given to churches with number of 'Regular Givers' represented in orange.

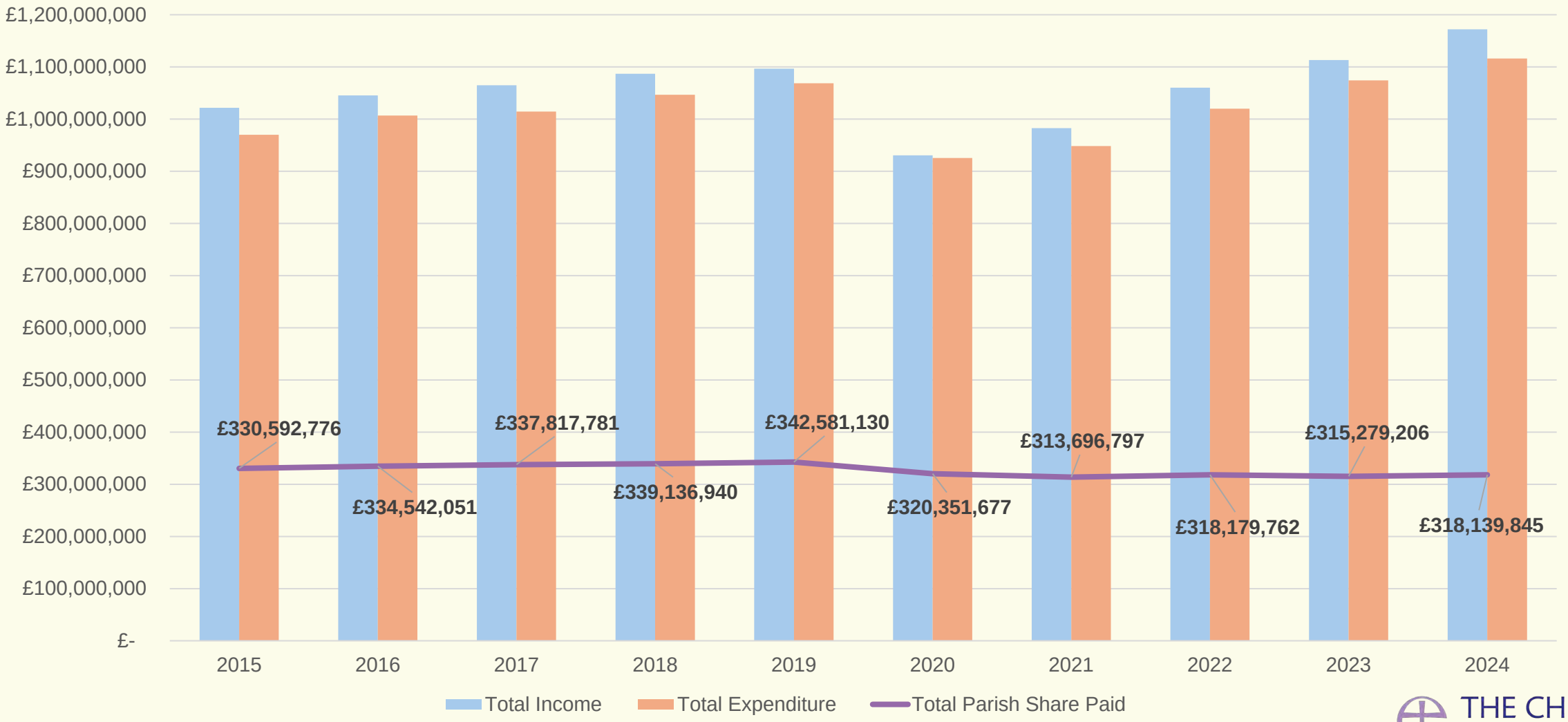


Data Source: Parish Finance Returns
Author: Data Services/National Giving Team

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Parish Share Trends

This is a comparison of total income (blue), total expenditure (orange), and parish share contributions (purple line).

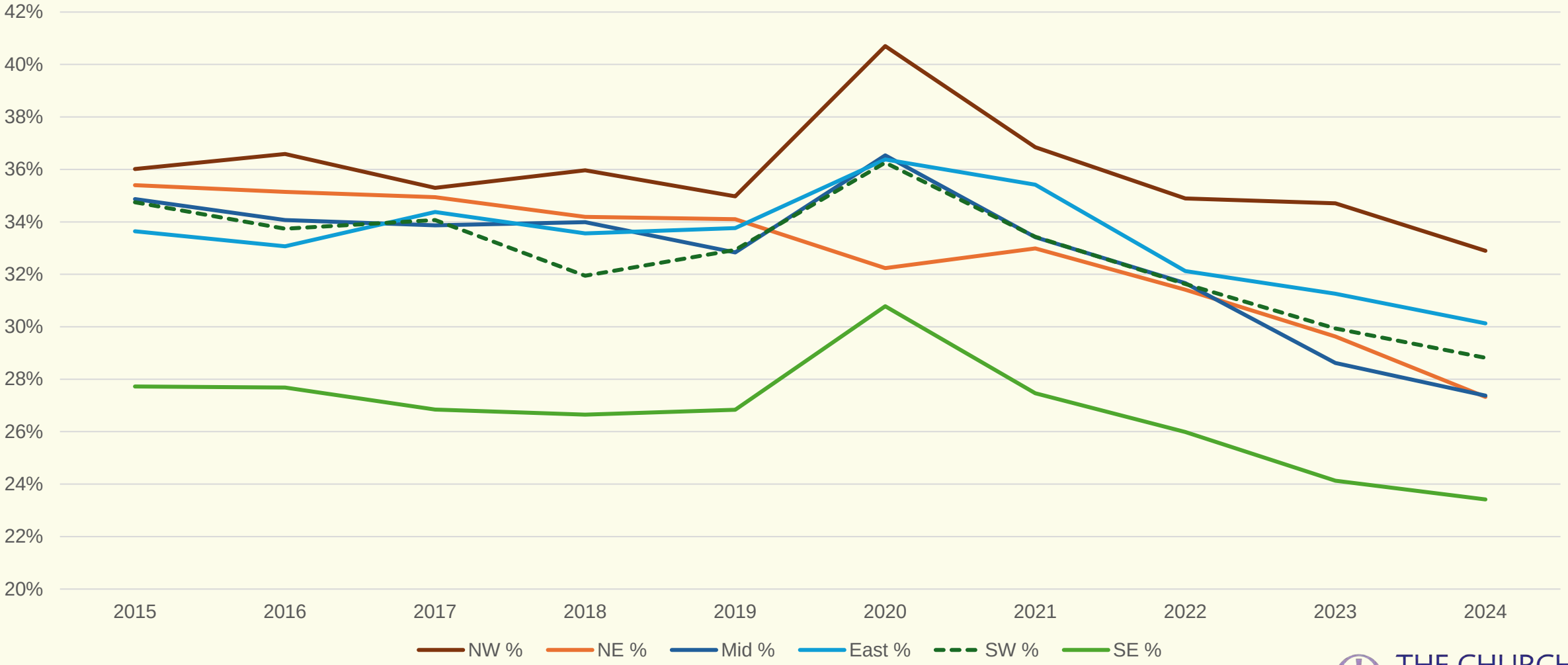


Data Source: Parish Finance Returns
Author: Data Services/National Giving Team

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Parish Share as % of Income by Region

This shows the amount given in parish share as a proportion of income, displayed as a percentage, and broken down by region. Owing to clustered data points and in the pursuit of greater readability, the vertical axis starts at 20%, and the South West is represented with a dashed line.

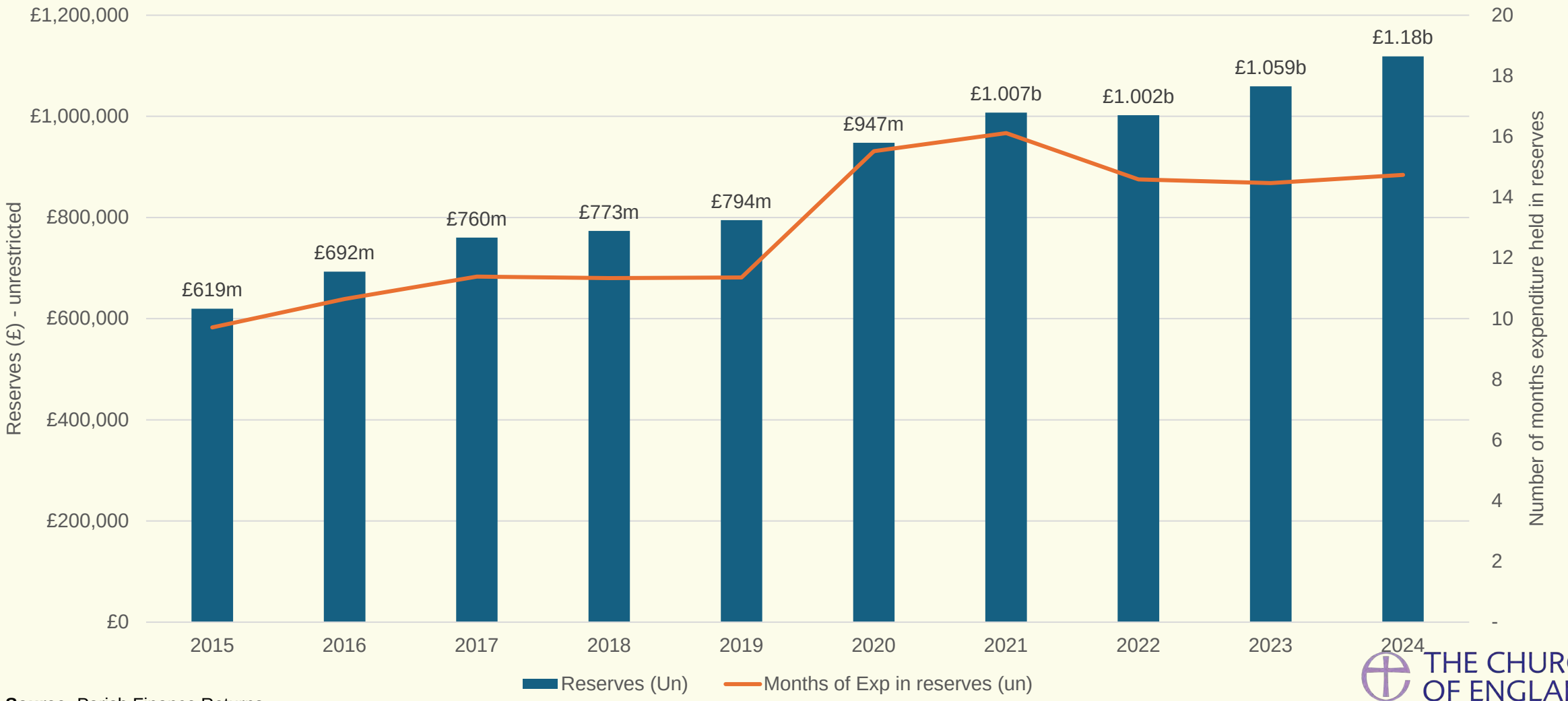


Data Source: Parish Finance Returns
Author: Data Services/National Giving Team

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Parish Reserves Trends

The columns represent total unrestricted reserves held by parishes, by year from 2015 to 2024. The orange line represents the number of months of expenditure these reserves represent, numbers shown on the right-hand axes



Data Source: Parish Finance Returns
Author: Data Services/National Giving Team

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Church Commissioners and Distributions Explained

These slides provide a high-level overview.
Further information can be found here.

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Church Commissioners Distributions

The Church Commissioners manages the Church of England's endowment fund and make distributions to support the Church's mission and ministry.

The Church Commissioners listen carefully to people from across the Church to understand the priorities, needs and challenges involved in delivering the work that God is calling us to do. These insights help inform decisions about the spending priorities for money made available from the endowment.

Much of this money is provided to the Archbishops' Council, which distributes funding to dioceses and other priorities through grants, programmes and national services.

Funding distributions from the Church Commissioners will meet approximately **1/5** of the Church's annual costs.

The Church Commissioners will distribute **£1.6 billion** between 2026 and 2028.

The Church Commissioners plans to distribute **£4.6 billion** between 2026 and 2034, subject to investment performance and market fluctuations, helping the Church plan for the medium and long term.

In 2025, the Church Commissioners announced a **36%** increase in funding for 2026-2028, enabling further investment to revitalise our parishes and worshipping communities, and to support ministry, especially with young people and disadvantaged communities.

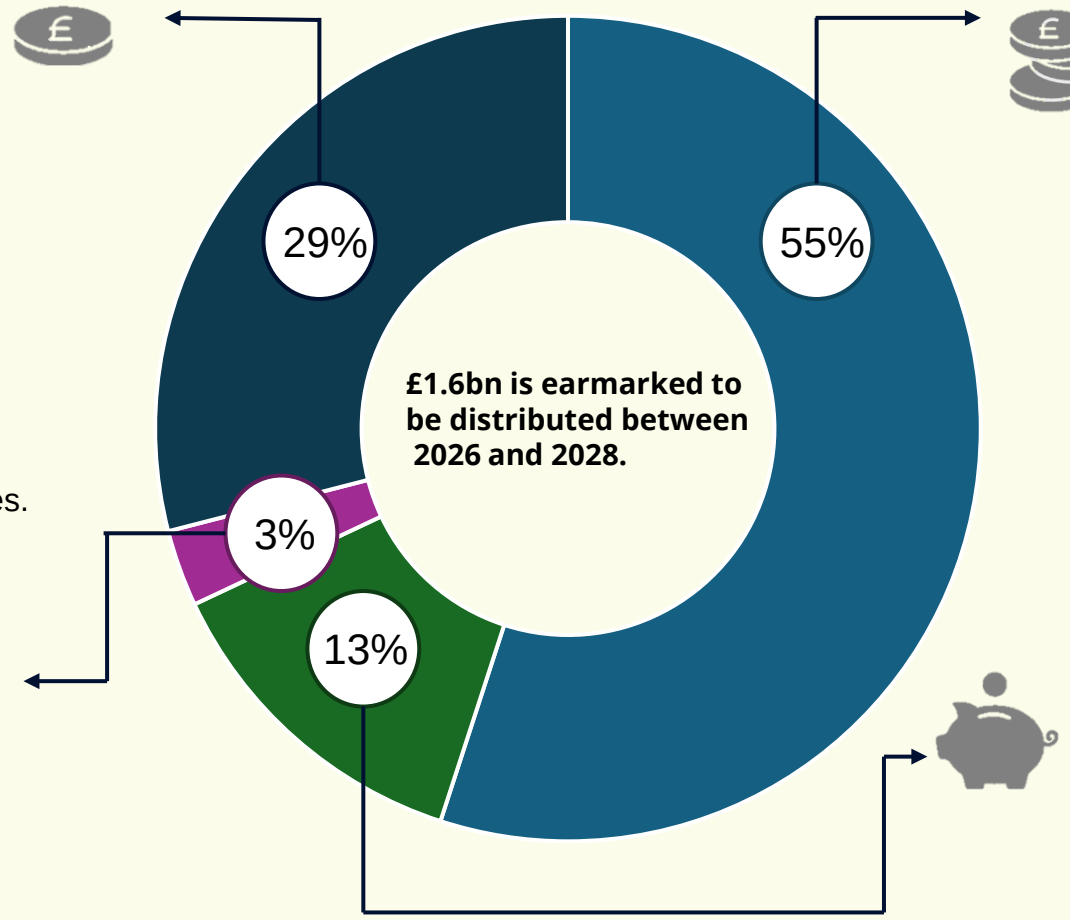
Author: Church Commissioners' Team

Distribution by Spending Category

The Church Commissioners funds a range of expenditure, including significant statutory commitments such as pensions, which they are legally required to provide. They also provide other discretionary funding streams as recommended by the Triennium Funding Working Group.

Strategic: £297m (29% of fund value)
Strategic funding covers targeted programmes such as strategic mission & ministry investments, clergy retirement housing, buildings for mission and social and racial justice.

Time-limited: £229m (3% of fund value)
Time-limited expenditure is focused on transformational initiatives which are planned for short to medium-term time frames. A key example is the Net Zero Carbon Programme which is enabling progress towards the carbon net zero goal of 2030 as set by the General Synod, with £40m allocated for this work across 2026-28.



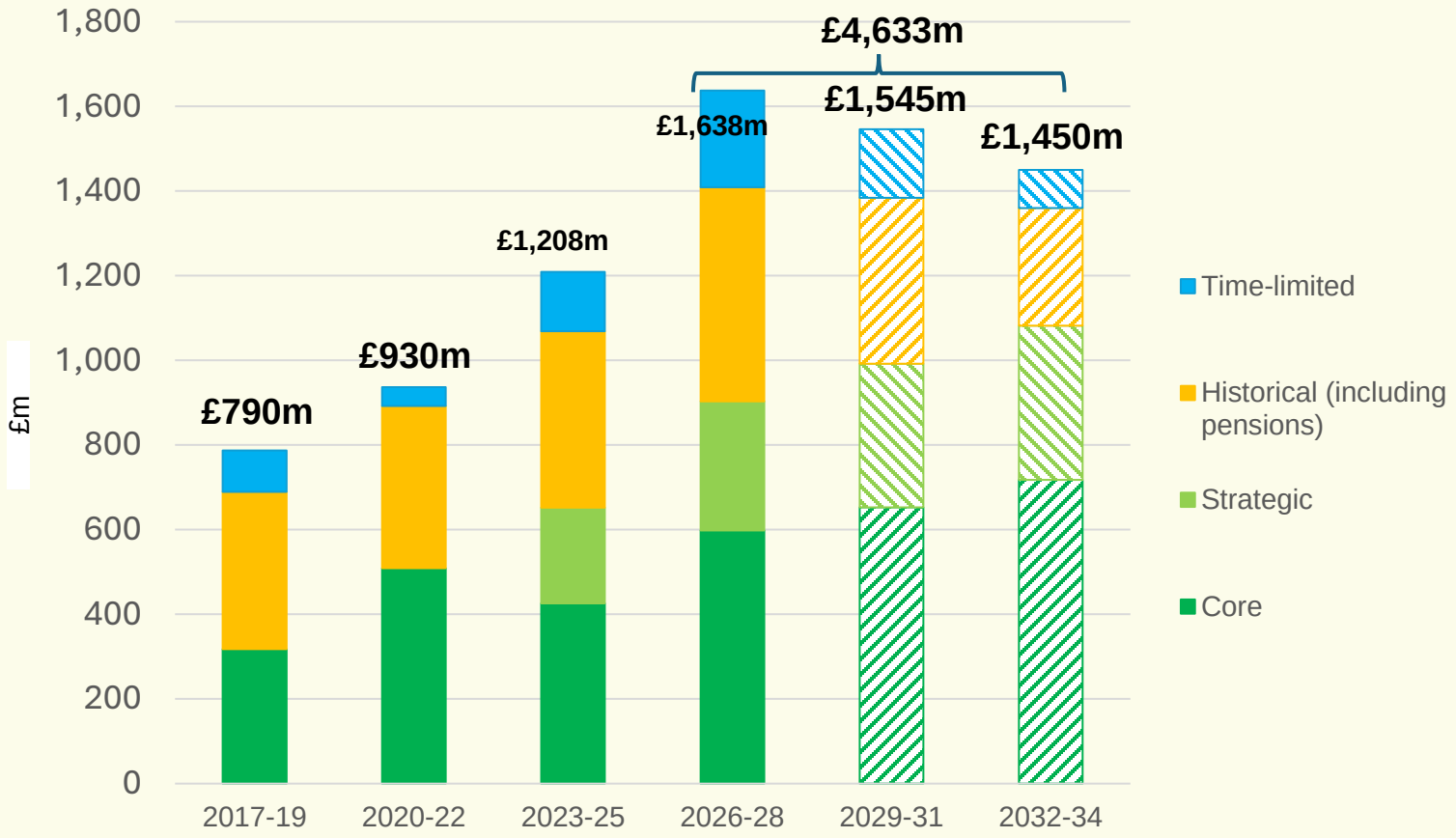
Core: £606m (55% of fund value)
Core funding includes elements of expenditure that are considered of fundamental importance to support the mission and ministry of the Church, for example funding for communities with fewer resources, statutory funding responsibilities of the Church Commissioners, such as bishops and cathedral funding, and safeguarding.

Historical (including pensions): £506m (13% of fund value)
The Church Commissioners have statutory responsibility to fund clergy pensions for service before 1998. The pension obligations have to be a priority commitment for the fund, and inform how much is available for the other funding categories. About 13% of the fund is estimated to be spent over the coming decades to meet pension obligations and address other historic matters (National Redress Scheme and Fund for Healing Repair and Justice.

Data Source: Triennium Funding Spending Plans 2026-2028, June 2025
Author: Church Commissioners' Team

Triennium Distribution Trends

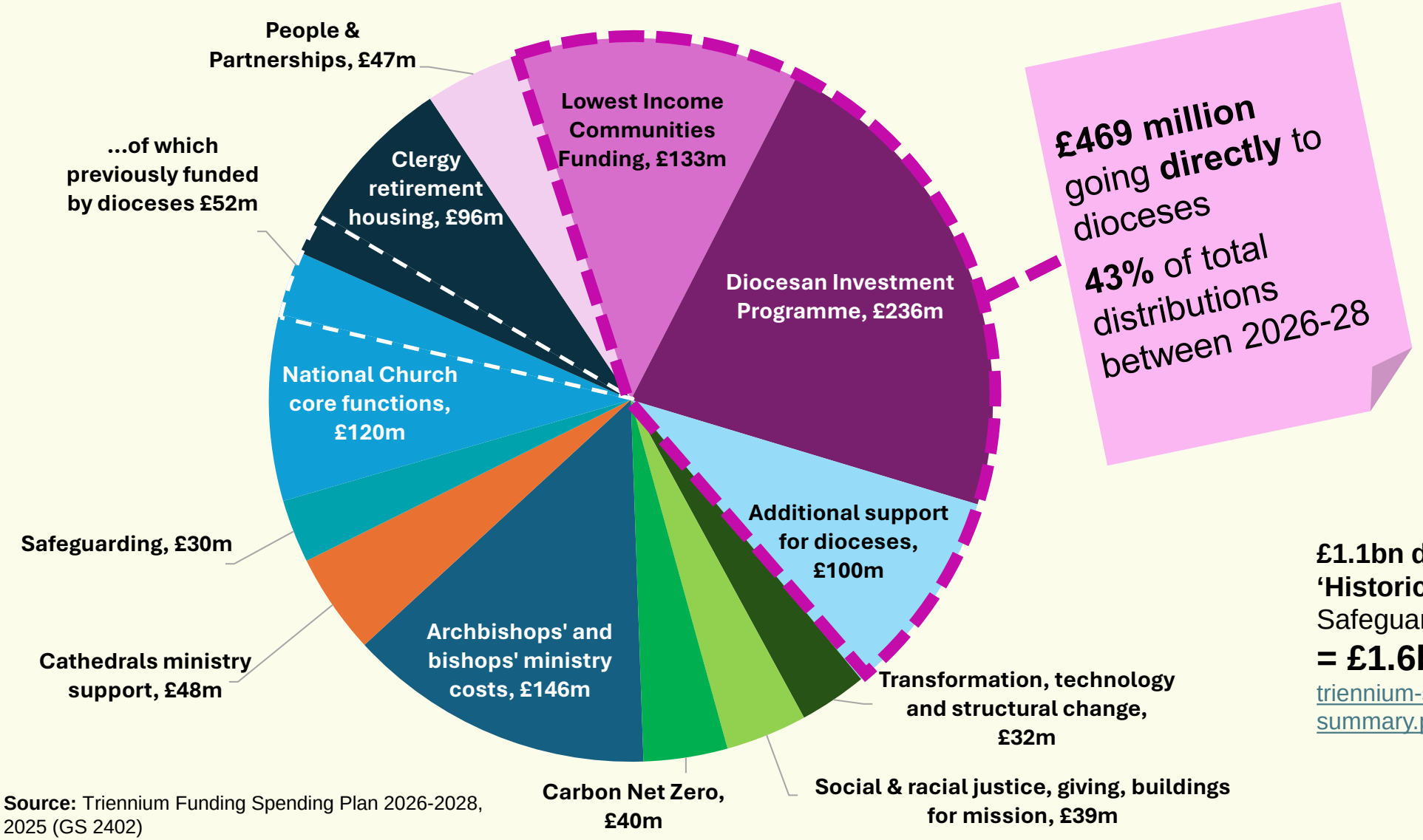
This chart shows planned distributions for 2026-28 and illustrative distributions for 2029-34, alongside funding distributed over the previous three triennia. Above-inflation increases have been made possible by the strong investment performance of the fund.



Data Source: Triennium Funding Spending Plans 2026-2028, June 2025 (GS 2402)
Author: Church Commissioners' Team

Spending Priorities

This chart provides a breakdown of the 2026-28 spending priorities resulting from the most recent Triennium Funding Working Group process.



£469 million going **directly** to dioceses

43% of total distributions between 2026-28

£1.1bn distributions + £0.5bn 'Historic' (incl. pre98 pensions, Safeguarding Redress and Spire)

= £1.6bn for 2026-28

triennium-spending-plans-financial-summary.pdf

Data Source: Triennium Funding Spending Plan 2026-2028, June 2025 (GS 2402)

Author: Church Commissioners' Team

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Distribution Affordability & Sustainability

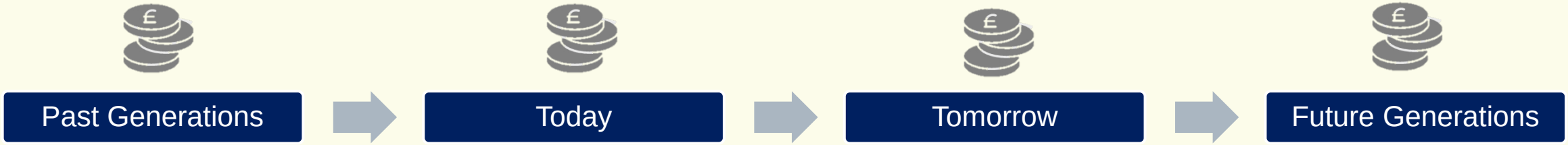
The Church Commissioners' distribution model determines an affordable and sustainable level of funding to provide as much support as possible for the Church's work today, while investing in an ethical and responsible way so that this support can continue in every generation. support the Church of England's ministry The calculation underpinning the level of distributions draws on five key components.

Total Asset Value	Asset Allocation	Future Investment Returns	Distribution Streams	Distribution Growth
What resources are available?	How are they invested?	What are the predicted returns of each asset class?	What is the nature of the current distribution streams?	How are distribution streams expected to evolve in the future?

Guided by independent actuarial advice, best-estimate assumptions and the principle of intergenerational equity.

Author: Church Commissioners' Team

Intergenerational Equity



What does intergenerational equity mean?

- Today's Church benefits from the endowment
- Future generations should benefit too
- Funding should retain its purchasing power over time
- It is a key principle for the Church Commissioners and a sign of faith and confidence in the future of our Church

Why does this matter?

As prices and costs increase, future distributions must grow to maintain the same real-world value.

£100 today will not buy the same goods, services or ministry support in the future.

When determining distributions levels, the Commissioners take actuarial advice from independent actuaries and consider:

- Inflation
- Earnings growth
- Long-term investment returns
- The future needs of the Church

Author: Church Commissioners' Team

Current Strategic Mission and Ministry Funding

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Strategic Funding Governance

The Strategic Mission and Ministry Investment Board (SMMIB) distributes particular strategic funds on behalf of the Archbishops' Council and is accountable to it.

Church Commissioners

Steward the historic assets and generate investment returns

Triennium Funding Working Group (TFWG) + Synod

Commissioners, Archbishops' Council and bishops decide grant streams

Archbishops' Council

Receives funding and sets funding criteria

SMMIB

A committee of the Council, implements policy framework and distributes funding

Open SMMIB funding streams (2026-28 budgets):

DIP £236m

- Capacity
- Programme
- Time limited £37m

Partnerships £14m

LInC £133m

Former SMMIB funding streams:

- Strategic Development Funding
- Strategic Transformation Funding
- Strategic Ministry Funding
- DIP curates
- Innovation Funding

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Author: Vision and Strategy Team

Reporting Impact and Learning

Strategic funding is reported publicly, with impact and learning. SMMIB annual reviews in 2023, 2024 and 2025 bring the funding story together: what was invested, where it went, the impact seen so far, and what is being learned.

1

Where the funding goes

Funding streams and active grants, with a national map of investment and programme-by-programme awards.

Read pp. 10–11 and 18–33, 2025

2

What impact is emerging

Headline impact measures, comparative analysis, programme aims and stories of change from dioceses and partners.

Read pp. 8–9 and 12–33, 2025

3

What is being learned

Independent evaluations, thematic research, shared learning and priorities for the next funding triennium.

Read pp. 34–37, 2025

Each annual review is also a gateway to the underlying methodology, evaluations and good-practice resources published through the Church Support Hub.





Annual reporting combines evidence with stories from the Church's mission and ministry.

Further reading

2023, 2024 and 2025 annual reviews

Author: Vision and Strategy Team

Diocesan Investment Programme (DIP)

What is the DIP?

"The purpose of the Diocesan Investment Programme is to focus investment on enabling the Church's Vision & Strategy to become a reality in parishes and communities, prioritising investment in the most deprived and resource-poor contexts."

DIP is by application. £236m is available in 2026-2028 with a further £574m indicated as being available across 2029-2034.

Funding proposals from dioceses should detail how national funding can best support them in delivering their own strategy, in line with the Church's Vision & Strategy and its priorities of younger and more diverse, a church of missionary disciples and mixed ecology as the norm.

Dioceses can use the funding to:

- develop their strategic capacity
- support the development and revitalisation of existing Church ministry,
- develop new areas of mission
- scale-up existing missional approaches that are proving effective.
- fund pipelines of ministry such as curates

Link to further reading:
Published funding guidelines for Diocesan Investment Programme

Author: Vision and Strategy Team

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DIP triennium funding allocations

Over £300m has been awarded through the DIP to date

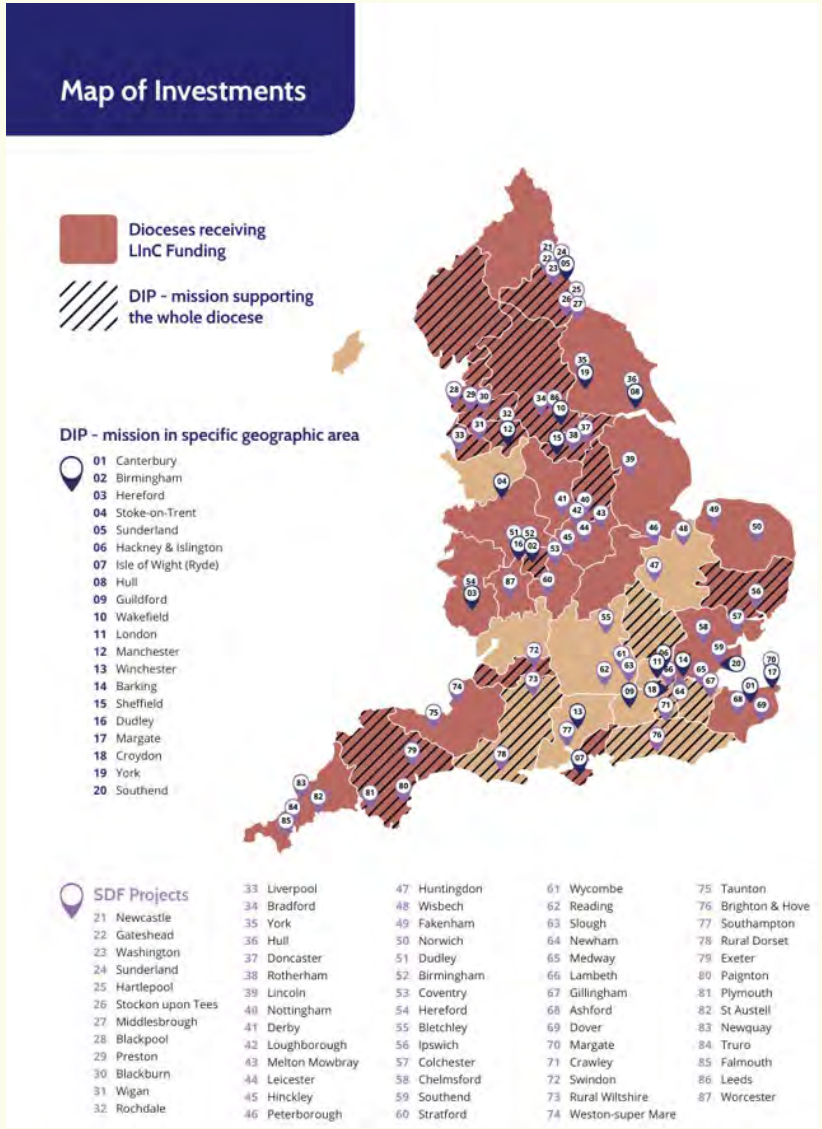
- All available 2023-25 DIP funding was awarded; and around a quarter of 2026-28 funding was allocated a quarter of the way through the triennium
- National DIP allocations are published and diocesan funding benchmarks shared with diocesan secretaries to support planning
- Impact from DIP funding is published annually by the SMMIB.

Summary table	2023-25	2026-28	2029-31	2032-34
Total DIP funding allocation	**£256m**	**£236m**	**£271m**	**£303m**
Awards made	£256m	£59m	£0m	£0m
In principle	£0m	£104m	£49m	£0m
Diocesan benchmarks remaining	£0m	£69m	£119m	£0m
Unallocated DIP	£0m	£4m	£103m	£303m

- The 2029-31 and 2032-34 figures are indications only and are subject to the decisions made in 2028 about the national Church's spending plans
- In principle funding is where the SMMIB have agreed to consider further awards of up to the amount indicated, subject to updated proposals and conditions

Data Source: SMMIB Proposals and Grant Management System budget analysis Oct 2026
Author: Vision and Strategy Team

DIP Investment across the Church



41 of 42 dioceses

have received a DIP grant award

National Church strategic funding is distributed through several complementary programmes. LInC funding supports dioceses serving lower-income communities, while DIP investment may support either whole-diocese mission or activity in particular geographic areas.

Partnerships Funding

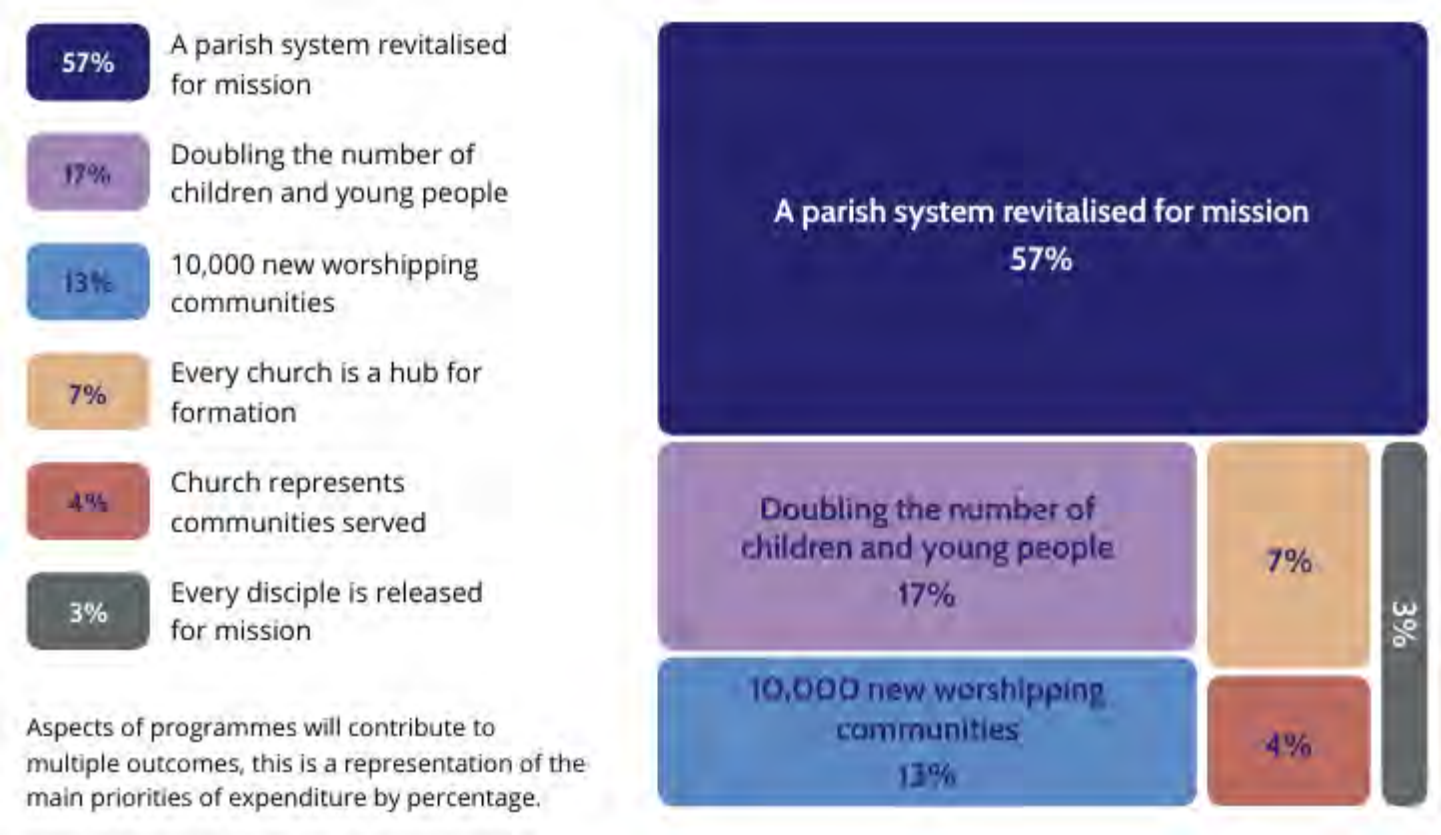
Partnerships Funding (not on the map) further supports the Church's Vision & Strategy through national cross-cutting investment, enabling parishes to access specialist resources, training, networks and digital tools that strengthen local mission and ministry. The programme helps successful approaches reach churches and communities at a scale that would not be possible through local investment alone. Every diocese in the country has now accessed organisations that received Partnerships Funding in 2023-25.

Link to further reading:
Published 2025, 2024 and 2023 SMMIB annual reviews

Author: Vision and Strategy Team

DIP investment and intended outcomes

2025 DIP planned budget by Vision & Strategy Bold Outcome



How to interpret the categorisation

Key caveats: Most expenditure contributes to more than one bold outcome. To avoid double counting, each budget line item has been assigned to the single most relevant outcome. Parish-focused expenditure accounts for much of the revitalisation category, while diocesan support roles can also enable missional revitalisation.

Example

A parish revitalisation post on an estate may also grow younger participation, broaden representation, start new worshipping communities and deepen discipleship.

Link to further reading:
Published 2025, 2024 and 2023 SMMIB annual reviews

Data Source: SMMIB Proposals and Grant Management System budget analysis Jan 2026
Author: Vision and Strategy Team

Lowest Income Communities Funding (LInC)

What is LINC?

"The Church of England is called to be a Church for the whole nation and its strategic priorities and bold outcomes include fully representing the communities we serve and being a church where every person in England has access to an enriching and compelling community of faith. The purpose of Lowest Income Communities (LInC) Funding is to enable dioceses to provide additional support for ministry and mission specifically in low-income parishes, in line with the Church of England's Vision and Strategy."

LINC is allocated by formula to dioceses recognising their role in the ecclesiological structure of the Church of England. It is currently awarded to 28 diocese, with £133.5m in 2026-2028 and a further £315m indicated as being available from 2029-2034.

The funding should be spent on mission and ministry with low-income communities and provides on-going support – which means it can be trusted for long-term appointments.

The eligibility to be allocated LINC funding for any given parish in a LInC receiving diocese is determined by that diocese. This should be done in consultation with the Diocesan Synod and others. Dioceses report annually on the use of funding. The reporting requirements introduced with the Diocesan Finances Review increase the transparency of use at diocesan and parish level.

Further reading:

Lowest Income Communities Funding page

Explanation of the LInc Formula

LInC formula and data

LInC funding guidelines

Author: Vision and Strategy Team

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LInC Funding and Deprivation

Across the 28 LInC funded dioceses, dioceses report that around three-quarters of funding went to parishes serving the most income-deprived quarter of the population.

Share of 2025 LInC funding

76% **went to parishes serving the most income-deprived 25% of the population**



*Includes funding outside the most deprived 25% and a small share not allocated to a parish. Other measures of deprivation or need may have been used to allocate (e.g. rural poverty)

Other measures show the same focus

Different analytical lenses, not additional portions of funding

91% **to the 25% most deprived parishes**
Parish-based measure

91% **reached deprived neighbourhoods**
Parishes containing LSOA areas within the most deprived 20% nationally.

Key caveats: Figures show 2025 allocations, not impact. The three approaches use different units and thresholds and should not be directly compared. **"Reached" means inclusion within a funded parish, not direct benefit to every resident or deprived neighbourhood.** Results draw on diocesan returns and locally varying allocation methods.

Link to further reading:
GS Misc 1460 - Lowest Income Community Funding Use and Distribution 2025

Data Source: LINC Reporting Framework Analysis 2025
Author: Vision and Strategy Team

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A Brief History of Current Funding Arrangements

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From Local Patronage to Central Support

The financial arrangements of the Church of England have, historically, developed through a complex pattern of local funds, investments attached to individual benefices, and parochial giving. Over time, an increasing proportion of funding from central charities and national endowments was directed towards specific benefices and assistant curate posts, particularly to address clergy poverty and to support ministry in growing urban and industrial populations.

The creation of new parishes and dioceses accelerated during the nineteenth and early twentieth centuries, adding further nationally directed funding streams to support ministry. This included both direct grants to benefices and funding routed through dioceses, particularly following the establishment of Diocesan Boards of Finance in the early twentieth century. There was significant local variation in the level of income associated with individual posts and in the extent of historic resources held across dioceses. Newer dioceses were often created without the benefit of historic endowments to support and sustain them.

In the latter half of the twentieth century, a series of reforms to parochial and ministerial arrangements, and to the funding of stipends, were enacted through the Church Assembly and later the General Synod. Following the coming into effect of the Endowments and Glebe Measure in 1978, investment land held at benefice level (glebe) was transferred to diocesan ownership. This was intended to support a more equitable provision of ministry across dioceses, alongside action to reduce disparities in stipend levels between benefices and between dioceses.

Throughout the 1980s and 1990s, reviews of historic resources held by dioceses supported a move away from parish-level funding towards a system of block grant allocations from the Church Commissioners to dioceses in support of ministry. Early distribution formulae focused on rebalancing historic resources across the Church by directing funding towards stipendiary ministry in dioceses with fewer historic assets.

A Solvency Problem

Between the late 1950s and early 1990s, the Church Commissioners had not taken robust assessments of whether the assets they managed on behalf of the Church were sufficient to meet their expenditure on a sustainable basis.

Following an actuarial assessment in the early 1990s, it was recognised that their assets were in effect committed around twice over. Following consultation within the Church, new funded pension schemes were established for clergy in 1998 and NCI staff in 2000. There were also reductions in other areas of Commissioners' expenditure including support for parish ministry through dioceses, cathedrals and their own costs.

Author: National Funding for Diocesan Ministry Review Team

A Solvency Problem... continued

Under the new arrangements responsibility for future pension contributions was transferred to the body which funded the relevant stipend or salary costs. So, pension contributions for office holders whose stipends were the responsibility of dioceses was transferred to dioceses from 1998.

Historic pension liabilities of all office holders and staff remained with the Church Commissioners who only retained responsibility for future pension contributions for office holders whose stipends they funded directly under their responsibility from 1998.

From Darlow to Resourcing the Future

A further major review of the allocation of central funding followed, leading to the adoption of the Darlow Formula in the late 1990s as the basis for distributing funding to dioceses to support parish ministry. In outline, the formula applied a set of criteria intended to provide additional support to dioceses with weaker finances (on a per stipendiary minister basis) in meeting clergy stipend costs. These criteria included diocesan income per parishioner, socio-economic indicators of deprivation, relative costs of stipendiary ministry, historic clergy numbers and structures, and assessments of each diocese's ability to contribute.

While redistributive in intent, the approach resulted in variations in support between years (and later triennia) as the data was updated and attracted criticism for the limited extent to which it took account of how funding was used or the outcomes it supported. The system did not explicitly link allocations to mission outcomes, growth, or impact, and the way in which indicators were applied could result in higher levels of support for dioceses experiencing sustained decline or ongoing financial weakness. Nor did it encourage long term planning.

Alongside these concerns, previous allocation systems also highlighted a structural challenge that extended beyond funding alone. National support for stipendiary ministry could only achieve redistributive objectives if accompanied by mechanisms that influenced the deployment of clergy, as well as the flow of finance. Since 1975, the 'Sheffield Formula' had attempted to secure a fairer allocation of clergy across the Dioceses. through agreed clergy allocations. However, without clear incentives, additional funding risked enabling stronger dioceses to attract an increasing share of a limited clergy workforce, potentially undermining the wider objective of maintaining a sustainable and equitable pattern of ministry across the Church.

Author: National Funding for Diocesan Ministry Review Team

Resourcing the Future

Within a wider context, the funding approaches reflected a long-standing emphasis on sustaining inherited patterns of parish and clergy provision. This included continued support for historic parish structures in ways which could be understood as subsidising congregations in decline (including in comparatively affluent areas), the extension of clergy responsibility across increasingly large groupings of parishes, and the retention of church buildings irrespective of differing levels of missional viability.

Over time, this contributed to an environment in which significant national funding was directed towards maintaining existing structures, often without differentiation by deprivation or strategic opportunity. While this provided important short-term stability, it did not consistently support adaptation or reshaping in response to longer-term challenges facing diocesan ministry.

The Resourcing the Future Task Force (2014) concluded that the existing funding system was not adequately supporting the Church's mission, particularly in the most deprived communities. It therefore proposed a shift from predominantly sustaining existing provision towards a more intentional investment approach, grounded in clearer purpose and accountability.

The Resourcing the Future report articulated a set of principles to guide national funding, including that it should:

- be directed towards clearly articulated missional objectives;
- encourage growth, innovation, good stewardship, and long-term sustainability (or, at a minimum, not inhibit these);
- operate transparently; and be accompanied by proportionate accountability for stewardship and impact.

The Task Force recommended that funding distributed to dioceses should be understood as mission-focused investment, with particular emphasis on addressing deprivation and supporting proactive opportunities for growth.

GS 1798 The Report of the Resourcing the Future Task Force was debated and approved by General Synod in February 2015.

Author: National Funding for Diocesan Ministry Review Team

New funding streams and managed transition

From 2017, the Archbishops' Council implemented the Resourcing the Future reforms primarily through the introduction of:

- Lowest Income Communities (LInC) funding, which replaced the Darlow Formula and targeted deprivation using population-based measures rather than diocesan income; and
- Strategic Development Funding (SDF), awarded competitively to support diocesan plans for growth, with prioritisation given to work with younger generations, communities experiencing deprivation, and UKME contexts.

Recognising the impact of these changes on dioceses previously reliant on formula-based funding, a ten-year transition period, running to 2026, was agreed. Transition and restructuring funding was made available to manage reductions over time and to support dioceses as they adapted to the new framework.

By 2018–19, many dioceses were experiencing increasing financial pressure, a position that was significantly exacerbated by the COVID-19 pandemic. In response, the Archbishops' Council introduced £35m of Sustainability Funding between 2020 and 2022, with the aim of stabilising diocesan finances while longer-term strategies continued to be developed and implemented. This required a degree of re-prioritisation within the overall funding framework.

Additional targeted funding streams were also introduced during this period, including Strategic Transformation Funding, to support diocesan-wide change, and Strategic Ministry Funding and Posts of First Responsibility grants, to help address diocesan concerns about the affordability of clergy numbers though funding for curates and those taking up first incumbency posts respectively

Taken together, these developments reflected the ongoing challenge of balancing short-term financial stability with longer-term strategic investment.

Current Funding Approaches

An Independent Review of Lowest Income Communities funding and Strategic Development Funding , chaired by Sir Robert Chote was presented at the General Synod in July 2022 .

Following the independent review, assessment of the impact of these arrangements, and the adoption of the Church's Vision and Strategy for the 2020s, funding streams were then further refined in 2023 through the creation of the Strategic Mission and Ministry Investment Programme. This included the introduction of the Diocesan Investment Programme (DIP) alongside continuing LInC funding, to replace SDF and provide a longer-term and larger-scale investment horizon.

The Resourcing the Future reforms have been understood by some as aligning with the original purposes of national Church endowments, namely the redirection of resources towards areas of need and opportunity rather than solely the maintenance of existing structures. At the same time, questions have continued to be raised about the implications of this approach for the inherited pattern of parochial ministry, particularly as wider financial pressures on dioceses have grown.

It is within this context that calls for further review of national funding arrangements have emerged, alongside ongoing consideration of the underlying financial position of dioceses.

Author: National Funding for Diocesan Ministry Review Team

Further Data in Support of the Review

As noted in the Co-Chair's introduction, the data presented here is an evolving evidence base and will be developed further over the coming months as work in additional areas is completed.

Detailed work is, in particular, underway on Ministry and Vocations which is expected to come to Synod early in 2027 and further work on the total economy of the church is in hand to update the figures and provide a cleaner picture as the NFDM Steering Group begins its detailed analysis of the funding approaches.

Slides 14-20 & 27 draw on provisional Statistics for Mission data for 2025. Once this data is confirmed and publicly available a further iteration of these slides will include detail on diocesan level data.

The NFDM pages on the Church of England Website will be updated after Synod to provide a clear place where members can access the published data tables as the work continues.

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