

Deanery Synod – March 2026

Questions and Answers - Diocesan Finance Team

Diocesan Central Costs

1. Whether these are excessive, relative to parishes' ability to pay

Diocesan central teams typically cover **statutory, legal, safeguarding, education, finance, HR, and mission support functions** that every diocese must provide.

Comparative data from dioceses shows that **central/support services usually account for 7–9% of total diocesan budgets**. This is broadly consistent across dioceses and reflects the minimum infrastructure required to run a charity the size of a diocese.

These costs aim to **reduce the administrative burden on parishes**, who would otherwise need to procure or perform these functions themselves.

2. Whether any are unnecessary or lower priority than parish clergy and curates

National reviews emphasise that **diocesan finances exist to support local ministry**, and dioceses are under pressure to keep central costs lean.

The Church of England's 2023–26 review of diocesan finances notes that many dioceses are already financially constrained and are seeking to **simplify and reduce central expenditure** where possible .

However, some central functions are **legally required** (e.g., safeguarding, clergy payroll, property management, governance).

The principle is: **central costs should only exist where they enable or protect parish ministry**.

Funding from national Church funds (e.g. Church Commissioners)

3. The size of the CC's endowment fund is a barrier when asking people to fund their parish church – what is the best answer to their objections that the Church has got lots of money.

The Church Commissioners' endowment is historic, restricted, and legally protected. It cannot simply be spent on parish running costs.

The CC fund is designed to provide long-term, sustainable support, not short-term subsidy.

Most parish ministry costs (stipends, housing, local mission) are not funded by the CC, but by parish giving.

The CC's role is to support the Church's mission strategically, not to replace local generosity.

4. What do the CC spend their money on?

The CC fund:

- Supports bishops and cathedrals
- Funds clergy pensions (pre-1998)
- Provides national strategic mission funding
- Supports poorer dioceses through Lowest Income Communities Funding
- Covers some national church responsibilities This is confirmed in national financial summaries and the Church Commissioners' annual reports.

5. Why don't the CC's spend more to help meet the costs of ordinary parish ministry?

The CC's endowment must be managed to support the Church in perpetuity, not depleted in the short term.

The CC already increased distributions in recent years, including covering more national costs so dioceses can redirect funds to parish ministry.

From 2026, dioceses no longer pay apportionment to the national church, because these costs are now covered by CC distributions, freeing more diocesan money for local ministry .

Even with these increases, the CC fund is not large enough to cover the cost of 12,000+ parishes and 7,000+ clergy posts.

Fairness concerning payment / Non-payment of Benefice Share

6. Some benefices are withholding share (for a range of reasons) without any current sanction or disbenefit, while others are cutting costs and spending reserves to pay in full. This seems unfair.

The Common Fund system relies on **mutuality**: parishes support one another so ministry can be provided everywhere, not only where it can be afforded.

Dioceses are increasingly exploring **clearer expectations and consequences** for non-payment, but also **pastoral engagement** to understand why a parish is struggling.

7. Is it correct that for as long as a benefice manages to pay its share in full it will not be restructured so as to have to take on further parishes, or is there a risk of having to take on more parishes even if share is paid in full (eg because the number of clergy posts are being reduced again)?

Yes. Payment alone does not guarantee that a benefice will not be reorganised.

Clergy deployment is based on:

- population
- mission need
- pastoral reorganisation plans
- diocesan-wide clergy numbers

If overall clergy numbers must reduce, even fully paying benefices may be affected.

However, **consistent full payment is a strong indicator of sustainability**, and dioceses generally try to protect sustainable posts.

'Pay for what you get'

8. A benefice that cannot manage to pay its share in full may wish to reduce the amount of its share by (for example) having a p/t instead of a f/t

incumbent. Will this be permitted, as an alternative to suffering the sanction of no appointment being made when the post becomes vacant?

Many dioceses are moving toward **cost-based ministry allocation**, so yes, a benefice may request a part-time post, but this must be part of a **formal pastoral reorganisation**, supported by DMPG with approval of the Archdeacon and depends on:

- diocesan deployment strategy
- local mission needs
- the bishop's oversight

A parish cannot unilaterally "buy" a particular level of clergy time, but it can **propose** a model that matches its financial capacity.

There is, however, a shortage of clergy to fill current vacancies across the diocese and house for duty or part-time posts, based purely on what a parish can afford, may not be sufficiently attractive to prospective candidates or align with the missional plan for the parish/benefice.

9. Some benefices may feel that they get no benefit from many of the things that are charged back to them through benefice share. Under the new 'pay for what you get' approach, why should a benefice be required to pay for something that does not benefit them and/or which they do not want.

The Common Fund is based on **shared provision**, not itemised billing.

Many diocesan services (safeguarding, clergy training, legal support, education, vocations, mission support) **benefit the whole system**, even if indirectly.

Without shared funding, parishes would face **much higher local costs** for compliance, legal work, safeguarding, and clergy support.

10. Given that parishes now have to pay the cost of their clergy, should parishes not have some say in the remuneration their clergy receive (eg stipend increases)? At present, parishes have no say in this, yet are asked to foot the bill.

Stipends are set nationally and diocesan-wide to ensure fairness, consistency, and clergy mobility.

Allowing parishes to set stipends could create inequality, distort deployment, and undermine the national clergy terms of service.

Parishes can, however, influence stipends indirectly through diocesan and General synod, where stipend levels are approved.

Parish assets

11. It used to be the case that a parish used to pay its priest from its own capital assets and some parishes had plenty of assets and could afford a priest while others did not and could not. This was reformed so that the Diocese paid for all the parish priests and to do so parish assets were taken into the Diocesan Stipends Fund. Now, the parishes are being asked to pay for their priest again, but they have lost the assets that used to enable them to do so. Can a parish safely seek to build up some capital assets to enable it to meet the cost of having paid clergy, or would those assets be at risk of being expropriated again?

Parishes have always paid for their priests, from a combination of local giving and income from capital assets. As mentioned, it was reformed that the diocese would pay for parish priests in recognition that not all parishes could financially afford to do so. This is still the case that, as a diocese, we wish for our ministry to be as widely deployed as is financially possible. The assets that were transferred are continuing to financially supporting this, albeit some of them will not be contributing as high a proportion of the costs as they may have done historically due to changing values. Our benefice share mechanism reflects the need to share the assets that we have across our diocese and embed a spirit of mutuality between our churches.

We would encourage all our parishes to improve their financial sustainability for the benefit of local ministry and mission across our diocese.

We have no current ability to expropriate any capital assets from parishes, nor any intention to do so.

Statutory Fees

12. Would it not be fairer if parishes could keep the entirety of the statutory fees they receive, even though this would result in a corresponding decrease in common fund receipts? This would better reflect the cost and benefit to the

parish of conducting weddings and funerals and there seems no good reason why those fees should be paid to the DBF. The current justification for the DBF receiving statutory fees is that the DBF pays the cost of the incumbent, but that is no longer the case.

Statutory fees are set nationally and divided between PCC and DBF.

Historically, the DBF share reflected the fact that the DBF paid clergy stipends.

Even though funding models are changing, the DBF still covers:

- *clergy housing*
- *payroll*
- *safeguarding*
- *training*
- *legal and administrative support*

Allowing parishes to keep all fees would reduce diocesan income and increase Common Fund contributions to compensate.

The current system ensures that funeral/wedding income contributes to the wider cost of ministry, not only the parish where the service occurs.

How can you get involved?

Parishes are invited to nominate individuals to be represented on the following diocesan committees in order to directly influence some of the matters raised in the questions above that, as a diocese, we have control over:

- Investment Committee
- Audit and Risk Committee
- Finance Committee
- Common Fund Committee