

# Meeting the Financial Challenge

Diocesan Synod  
15 March 2025



**Diocese of Canterbury**  
CHANGED LIVES ➔ CHANGING LIVES

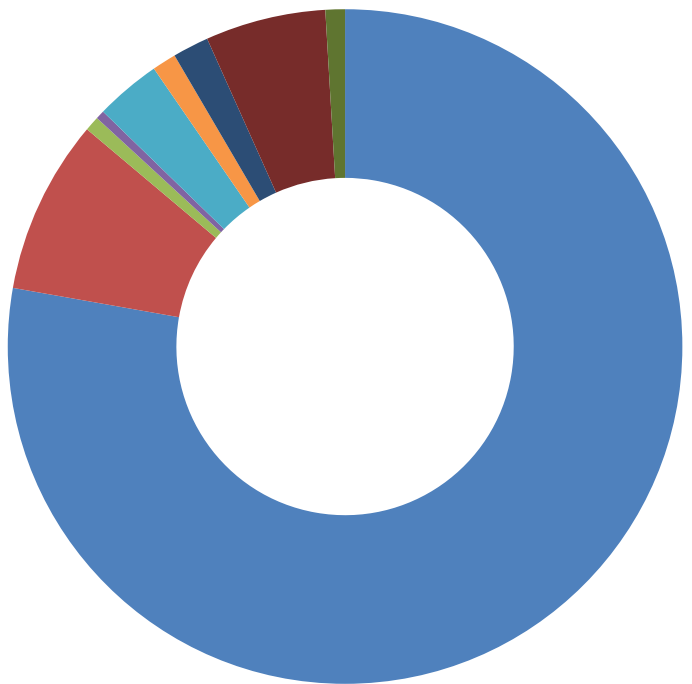
## How did we get here?

- The journey began in November 2023 when Synod tasked the Standing Committee with providing a balanced budget by 2027
- Archbishop's Council extended this to align with the strategic imperative of the **Three Bold Outcomes**
- In July 2024 Synod received the first of those projections setting out how a balanced budgeted could be achieved
- It was agreed that work would continue and was developed over time and has been discussed at the Standing Committee of Synod and the Finance and Assets meeting as well as the past three Diocesan Synods



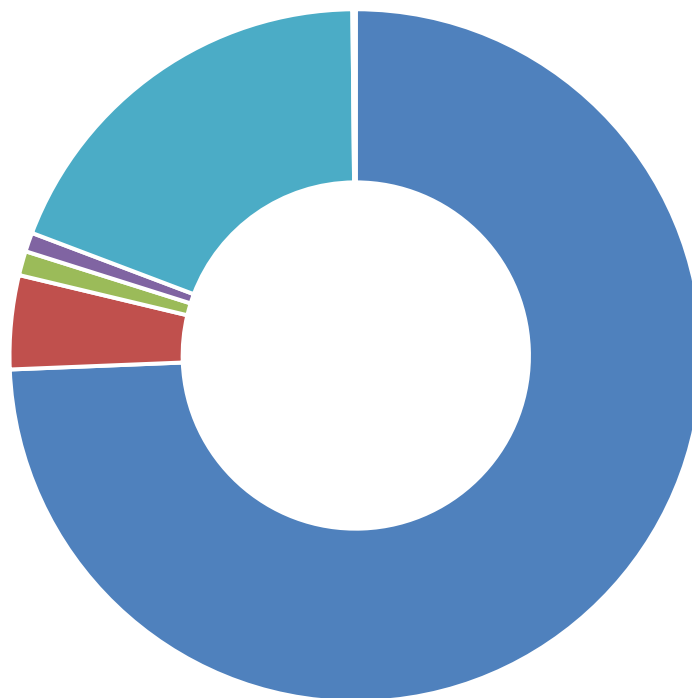
# 2024 Budget – Income & Expenditure

Income (Budget)



- Parish Share cash requested
- Full year LInC grants (allocated)
- Unallocated LInC grant (accrued)
- External grants
- Parochial Fees
- Other income
- Investment Fund income
- Gross rental income
- Income from trading subsidiaries

Expenditure (Budget)



- Parish Ministry
- Children and Young People
- Social Justice Network
- Diocesan Strategy
- Support Services

| UNRESTRICTED INCOME                |                  |
|------------------------------------|------------------|
| Income                             | Full Year Budget |
| Parish Share cash requested        | 7,413,376        |
| Full year LInC grants (allocated)  | 796,266          |
| Unallocated LInC grant (accrued)   | 67,456           |
| External grants                    | 40,000           |
| Parochial Fees                     | 300,000          |
| Other income                       | 110,000          |
| Investment Fund income             | 165,000          |
| Gross rental income                | 550,000          |
| Income from trading subsidiaries   | 89,000           |
| <b>TOTAL INCOME (UNRESTRICTED)</b> | <b>9,531,098</b> |

| UNRESTRICTED EXPENDITURE                |                  |
|-----------------------------------------|------------------|
| Expenditure                             | Full Year Budget |
| Parish Ministry                         | 7,087,125        |
| Children and Young People               | 417,108          |
| Social Justice Network                  | 108,000          |
| Diocesan Strategy                       | 85,000           |
| Support Services                        | 1,818,884        |
| Grants                                  | 15,000           |
| <b>TOTAL EXPENDITURE (UNRESTRICTED)</b> | <b>9,531,117</b> |

The majority of Parish Share is used to meet the cost of Parish Ministry across the Diocese



# Where will this take us?



There is no significant opportunity to reduce costs further



Our strategy **will** help with the financial position in the growth scenarios



Focus on giving and generosity and help PCCs build financial resilience



We can only influence parishes and find investment to support growth



Mutuality and generosity are key – **we are one body!**



# The Budget Process



We recognise that the budget process requires refinement. We are proposing the following:

- A **table discussion** was held this morning
- In May we will hold a **budget workshop** in the afternoon of the to discuss in detail in groups what makes up the budget of our diocese
- An **update report** will be given at the July Synod meeting with an opportunity for feedback
- Further information will be prepared for the **Deanery Roadshows**.
- We will also provide training for staff teams.
- In advance of the November Synod we will issue a **full report** into the Board's finances.
- A **full discussion** on the budget for 2026 will be held at Synod.
- Improve **budget scrutiny** as part of the 2025 Governance Review.

The idea is to inform and to be challenged.



A sustainable future

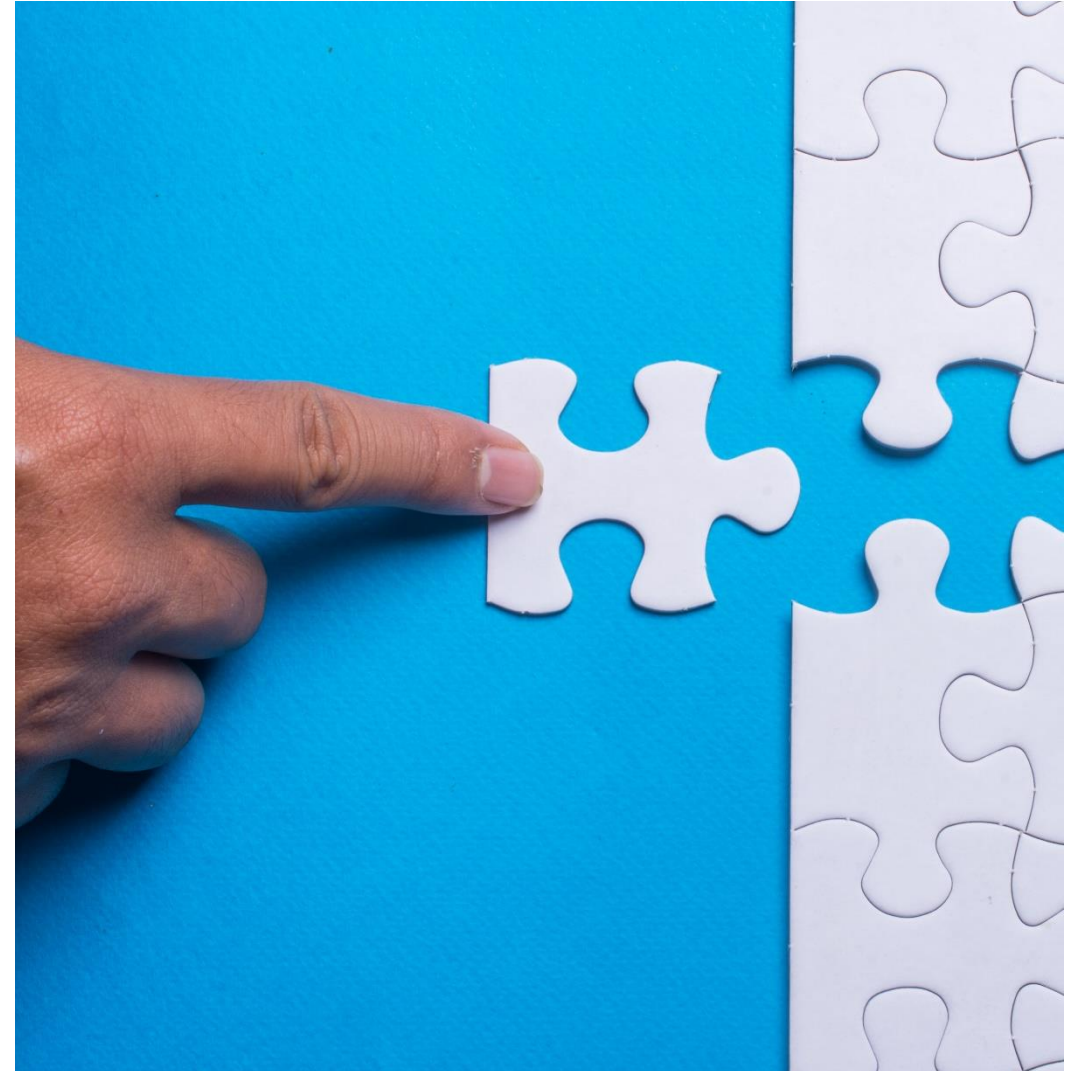
# Key Financial Opportunities & Challenges



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# MEETING THE CHALLENGE

- IT IS CLEAR THAT NO SINGLE SOLUTION EXISTS
- WE FACE A DEFICIT OF UP TO £1MILLION IN 2025
- OTHER DIOCESES FACE SIMILAR CHALLENGES (long-term decline, ten years loss of congregation in just four years, tough economic conditions)
- TOTAL DIOCESAN DEFICITS FOR ENGLAND IN 2024 ARE EXPECTED TO EXCEED £60MILLION.



# FINANCIAL OPPORTUNITIES

Glebe sales

House sales

Stopping the  
“gifting” of  
capital receipts

SMMIB  
Request

LInC Funding

PCC land and  
housing

Total Return

Request for  
support for  
housing repairs

National  
Finance  
Review





# OPPORTUNITIES BRING HOPE



## GLEBE

- In 2024 we undertook a review of land holdings
- This identified potential capital receipts of up to **£26million** within ten to fifteen years
- That will be invested, and the income will enable us to reduce the reliance on Parish Share and ease the pressure on PCCs



# NATIONAL SUPPORT FOR CANTERBURY



- The Board will receive Lowest Income Communities Funding (“LInC”) funding of £894,000 in 2025
- SMMIB funded projects amount to £4.7million to date and are directly invested in PCC-led projects across the Diocese
- A review of the costs paid to the national church (including pensions contributions) is likely to be settled in Canterbury’s favour in 2025



# THE NATIONAL FINANCE REVIEW - OUTCOMES

- LInC – likely increase of **£280,000** per year
- Likely support of **£5m over the coming nine years**
- Savings from the removal of the apportionment
- Reduction in pension contribution of **£85,000**
- **£100,000** taken in gift aid payment from the property company



## Challenges

- To put the Diocese at the front of opportunities offered by the National Church Institutions
- We recognise we must rebuild the trust between the Board of Finance and the wider diocese
- We must repurpose the DBF to support parishes, schools, children and young people and those whose circumstances mean they depend on the work of the Social Justice Unit

## Opportunities

- We must maximise the opportunities open to us
- We will seek grant and other funding
- Our aim cannot be to accept or manage decline

