



SUPPORTING PAPERS

**DIOCESAN SYNOD
ON 16TH NOVEMBER 2024**



**SUPPORTING PAPERS FOR DIOCESAN SYNOD
ON 16TH NOVEMBER 2024**

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AGENDA ITEM 4. EDUCATION UPDATE

Education Synod Report - November 2024

As I take over the post of Diocesan Director of Education, I felt it would be beneficial to provide synod members with a brief overview of Church of England Schools across the Diocese. I am mindful that whilst we have often presented to Synod around specific elements of our work, we have not necessarily provided an overview of our schools, and the statutory functions of the Diocesan Board of Education.

The Diocesan Boards of Education Measure 2021¹

The Diocesan Boards of Education Measure 2021 sets out the general functions, and responsibilities and issues within schools that require advice, consent or consultation. The general functions are as follows:

(1) The DBE for each diocese must—

(a) promote or assist in the promotion of education in the diocese that is consistent with the faith and practice of the Church of England;

(b) promote or assist in the promotion of religious education and religious worship in schools in the diocese;

(c) promote or assist in the promotion of church schools in the diocese;

(d) promote co-operation between itself and other persons concerned with education in the diocese.

Church of England Schools in Numbers:

155 Church of England Schools across the diocese, working alongside 3 local authorities and 8 Multi Academy trusts:

- 33 Academies
 - 42 Voluntary Aided
 - 80 Voluntary Controlled
-
- Responsible for the administration of £1.8 million School Condition Allocation funding received directly from the Department for Education to support Voluntary Aided Schools.
 - Successfully bid for c.£500k Public Sector Decarbonisation Fund money and £50k from the National Society to support the installation of ground source and air source heat pumps at 3 Voluntary Aided Schools.
 - Ongoing support provided for the appointment and reappointment of c.500 Foundation Governors within our Church of England Schools, including the provision of training.
 - Support all Church of England schools in areas of school improvement, including involvement in both Ofsted and SIAMS inspections. The team were involved in 57 Ofsted inspections and 43 SIAMS inspections over the last 12 months,
 - Co-ordinate and deliver 16 Year 6 Leavers services, across 7 venues. In 2024 this included 128 Church of England primary schools, seeing 3729 children, 496 members of school staff and 1862 parents, carers, family and friends.
 - Specific training and development sessions were provided across governance, RE, Christian Distinctiveness and SIAMS with c.300 attendees.

Lesley Hurst, Diocesan Director of Education

¹ <https://www.legislation.gov.uk/ukcm/2021/1/contents>

AGENDA ITEM 5. DIOCESAN BOARD OF EDUCATION ELECTION TIMETABLE

The current term of office for the Diocesan Board of Education will expire on 31 December 2024 and an election is therefore required. In accordance with section 7(3) of the Diocesan Board of Education Scheme dated 13 December 2021 ('the Scheme'), Diocesan Synod is required to specify, by resolution, the timetable for the election and the term of office for the newly elected Board members.

It is proposed that the term of office for the newly elected members of the Diocesan Board of Education will be three years, the maximum permitted by the Scheme, from 1 January 2025 to 31 December 2027.

The proposed timetable for the election is below. The Standing Orders specify that the minimum periods for nominations and voting are 14 days respectively. The proposed election timetable is designed to begin as soon as possible following Diocesan Synod. Please note that despite the short timescales applied it is not possible to complete the election before the end of the year due to the Christmas holidays. As for the current 2024 Committee elections and the previous Diocesan Synod elections, to save the cost of postage, nomination forms and ballot papers will be distributed by email unless the recipient does not have an email address or has requested a hard copy in the post.

PROPOSED TIMETABLE FOR ELECTION TO THE DIOCESAN BOARD OF EDUCATION

Invitations to nominate sent out	Mon 18 November 2024
Closing date for nominations	5pm on Tues 3 December 2024
Ballot papers issued	No later than Thurs 5 December 2024
Closing date for return of ballot papers	5pm on Mon 6 January 2025
Count of ballot papers	Tues 7 January 2025
Announcement of results	Weds 8 January 2025

Lesley Hurst, Diocesan Director of Education

AGENDA ITEM 6.

Diocesan Vision for Growth 2025-2030

Our Vision Pathway

Given '*Jesus Christ is the same yesterday and today and for ever*' (Hebrews 13.8), unsurprisingly, the next phase of our Diocesan Vision isn't completely new.

The 2015-2020 Vision stated: 'We understand the focus of the Mission of God for this diocese to be growth in Christ: encouraging people to know, love, follow Jesus and to grow as disciples in worship and witness to the truth of the gospel'.

The 2020-2025 Vision was based on the four Marks of the Church as One, Holy, Catholic and Apostolic. The 4 Mores focussed on aspirations to be a church that is 'More Open: a sign of being one'; 'More Converted to Jesus Christ: a sign of being holy'; 'More Generous: a sign of being catholic'; 'More engaged: a sign of being apostolic.'

The Covid -19 pandemic, starting in 2020, brought unexpected financial and other challenges to every part of diocesan life, inevitably resulting in limited engagement with the Vision. In common with other dioceses, the post-pandemic period has necessitated significant assessment and rebuilding of financial and other resources. However, through these challenges we've sought to remain firmly grounded in the Gospel and our faith and trust in God's love and faithfulness, which are undiminished, even if our resources are more limited than previously.

We recognise the importance of financial sustainability within the diocese as we look forward, not for its own sake, but because we are ambitious for growth, wanting more people to come to know, love and follow Jesus in every parish of our diocese. We're looking for growth that is both spiritual and numerical, across diverse contexts, traditions and generations. Growth doesn't have to be dependent on additional financial input or paid professionals, but often about more integrated thinking and working at diocesan, deanery and parish level. We've identified three key strategic themes needing to permeate our future Vision: inspiring prayer and worship, engaging children and young people and excellent leaders.

We've sought to pick up the sense of continuity and confidence in our Vision as we explore and unfold the faith within the diocese over the themed years:

- Prophesied – Year of the Old Testament (beginning Advent 2022)
- Revealed – Year of the New Testament (beginning Advent 2023)
- Reflected upon – Year of Faith (beginning Advent 2024)
- Lived out – Years of the Gospels (from the beginning of Advent 2025)

The Year of Faith

The Year of Faith celebrates the 1700th anniversary of the first Ecumenical Council at Nicaea in 325 in addition to the 950th anniversary of the founding of the Diocese of Chichester. The Council of Nicaea resulted in the formulation of the Nicæan Creed, still recited by Christians today to affirm faith in the Triune God. The Year of Faith then is about celebration and confidence that the life of the Trinity is experienced and must be confidently proclaimed within the Diocese of Chichester today: God the Creator, the Son the Redeemer and the Holy Spirit who lives in the Church.

The Years of the Gospels

The faith that we're called to proclaim afresh in each generation will then be explored through the lens of the four gospels (syncing with the three-year lectionary):

- Matthew from Advent 2025
- Mark from Advent 2026
- Luke from Advent 2027
- John from Advent 2028

From the early Church, the four evangelists have been symbolised by the four living creatures that appear in Ezekial's vision and mentioned again in the Revelation to John: *'The first living creature like a lion, the second living creature like an ox, the third living creature with a face like a human face, and the fourth living creature like a flying eagle.'* (Revelation 4.7)

Each is depicted as a winged creature representing one facet of Christ's nature and pointing to the life required from Christians. Christ is often depicted in the centre, but the Piper tapestry at Chichester Cathedral goes further and includes symbols of the three persons of the Trinity at its centre.



This visionary biblical imagery helps us shape the next stage of our Diocesan Vision for Growth as we fix our eyes on Christ, who is: *'The first and the last, the beginning and the end.'* (Revelation 22.13)



Matthew (winged man/angel) – representing Jesus' incarnation and human nature.

Vision theme: Discipleship

We want the whole people of God to become more fully the disciples God has called and will equip them to be, through his Holy Spirit.



Mark (lion) – representing courage, monarchy and Jesus's resurrection.

Vision theme: Mission and evangelism

We want to see the church as a diverse and multi-generational family, reflecting and engaging with their local communities, caring for God's earth; confident in knowing and telling the Christian story.



Luke (ox) – representing Jesus Christ the priest and sacrifice.

Vision theme: Vocation

We want to see all Christians listen and respond to God's call to service and witness and for lay and ordained leaders to remain open to lifelong learning and formation.



John (eagle) – representing the divine Jesus and looking to eternity and mysterious heights.

Vision theme: Worship and Prayer

We know that our mission and ministry must flow out of a secure and deep life of prayer and worship, or it will have shallow roots and ultimately bear little fruit.

Each year will include specific resources about the particular gospel set for that year (e.g., a Lent course) and during the course of the four years we'll focus on a number of key projects. However, just as the four living creatures with the Trinity at the centre form one united vision, so the four Vision themes of Discipleship, Mission and Evangelism, Vocation and Prayer and Worship will feature in every year of the Vision for Growth.

The Revd Canon Rebecca Swyer
Director for Apostolic Life

Diocesan Strategy Update

This paper:

- a) provides an overview of the process we are undertaking to develop a renewed diocesan strategy to achieve our vision
- b) explains the potential for seeking significant funding from the Diocesan Investment Programme
- c) sets out some of the analysis that we have done to underpin strategic thinking.

a. Key Themes

At the May Synod, the bishops presented the key themes of the emerging strategy:

- a) Inspiring Prayer and Worship
- b) Engaging Children and Young People
- c) Excellent Leaders



This to be underpinned by the need for sustainability if the church is to flourish. Each of these areas will have a range of projects and action plans.

b. Process Overview

Over the next six to nine months, we are seeking to pull together a diocesan strategy document, with the target of presenting a late draft for input at the May Synod. This will seek to gain sufficient funding from the national church and other sources outside of Parish Share to make a major investment to seek to reverse the patterns of decline and aging demographics.

Current thinking suggests that you should expect to see:

- something for every parish that wants to engage... The Household of faith across the diocese covers a wide range of contexts, church sizes and traditions, and we want to ensure that there is something available for everyone who would like to grow.
- and at the same time a stronger focus on areas where there is higher potential for growth. The analysis section later explains some of the differences across the diocese. However, we are aware that the SDF projects focused large amounts of spending on a few parishes, and whilst the results of this are encouraging, the next phase of investment will be more widely distributed.
- some opportunities for contributing in an open consultation, and in some of the deaneries. Once we have developed the key themes, we will open these up for discussion – probably early in the New Year.
- Learning from our previous strategic projects and those of other dioceses informing our strategic choices.
- A recognition that we will need to invest in our most deprived communities.

c. Diocesan Investment Programme

The Archbishops' Council and Church Commissioners have made a total of £338.5m of Diocesan Investment Programme (DIP) funding available for distribution in 2023-25, including a total of £91m for distribution as Lowest Income Communities Funding.

The majority of the funding will go directly to dioceses to advance their plans for the Vision and Strategy in local parishes and communities across the country. The principles which govern the DIP programme are:

- Relational and supportive active partnership with diocesan and local church leaders, working together to enhance programme plans and being Spirit-led
- Transparent and honest openness about decision-making processes to maintain trust, and a commitment to share the lessons of funding (successes and failures) to maximise its impact — Intentional funding is linked to a plan setting out what change is anticipated and how it will be achieved
- Empowering those receiving funding are helped to build capacity so they are in a better position to lead and sustain frontline mission
- Evidence-based and realistic respecting local knowledge, decisions about funding are based on high-quality evidence integrated with practitioners' understanding of their context
- Humility, recognising this is God's work recognising success is dependent on God, excited and curious to learn what God will do, and trying to share our own skills with humility

In 2023, the Strategic Mission and Ministry Investment Board awarded £38.4m of Diocesan Investment Programme Funding for 12 programmes in 12 dioceses. The Board also agreed in principle to make further awards of funding to some of these programmes, subject to further approval. The programmes are investing in a wide range of approaches, including church revitalisations, planting new congregations, fresh expressions of church, leadership development, ministers among children and young people based in churches and in schools, and youth apprentices in deprived parishes. Many build on work delivered in programmes previously supported by national Church funding and reflect the progress and learning from this work.

d. Initial Analysis

Our strategic planning needs to be underpinned by some analysis – to verify that we are focusing on the right places and elements, to ensure our hopes and expectations are realistic, and subsequently to fine-tune some of the decisions we may make as to which deaneries and parishes to focus on. When we apply to the SMIBB for Diocesan Investment funding, they will expect our application to be underpinned with analysis.

Annex One summarises this initial analysis. There is both encouragement and challenge contained within the data. The tentative conclusions are:

- i) Our focus on Children and Young People is right – there is a clear difference between the levels of engagement with children and young people and adults (first and second charts in the deanery analysis). Church attendees in Chichester are older than the C of E at large.
- ii) Our ministry strategy in rural areas needs careful thought, and the challenges vary by area.
- iii) The deaneries that appear most under resourced are Worthing and Arundel and Bognor in terms of both levels of clergy in relation to population and churchgoing, and in terms of a low level of churchgoing. (East Grinstead, and in particular Crawley, has high population per stipendiary priest, but there is an ongoing SDF project there). Hastings would be a third area for further investigation, especially due to levels of deprivation. Eastbourne has been suggested as a fourth.
- iv) We are right to focus on baptisms and confirmations – our levels of both are below average, and these are an indicator of growth in formation amongst young/new Christians.

Annex One: Initial Analysis

This paper provides an initial overview, and raises some questions for further discussion. Initially, Chichester is compared with the Church of England as a whole, and against individual dioceses to understand whether what we view as normal (often our diocesan average) is in line with “normal” for the Church of England as a whole, and to provoke further questions if our data is either significantly better, or significantly worse than the average diocese.

Following that, patterns of churchgoing, ministry allocation and the contributions towards the cost of that ministry are mapped by deanery – this is just too big a diocese to do the first cut mapping at a parish level – we can zoom in on a deanery to understand patterns by parish later.

Section B: Diocesan Comparative Analysis (2022 data)

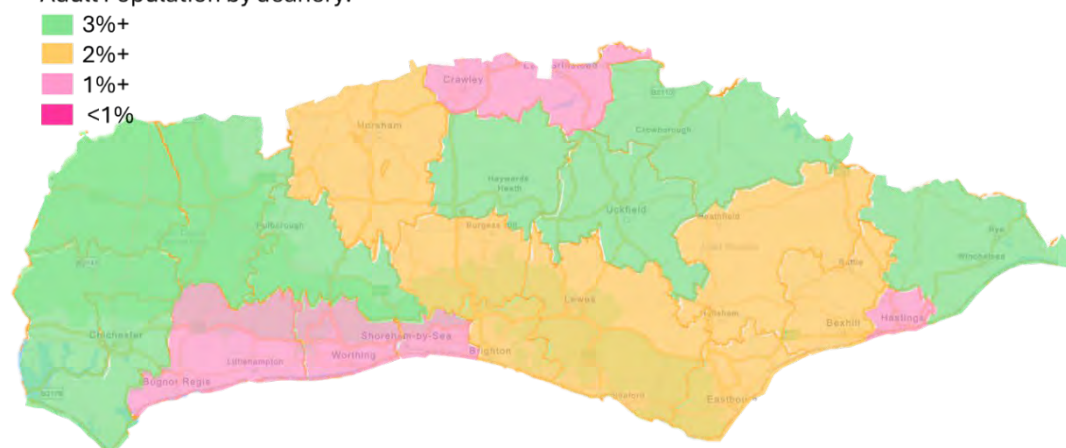
Looking across dioceses, we note that:

1. **We have relatively good levels of engagement.** Compared with the Church of England at large, Chichester has relatively strong engagement with the wider population. 2.4% of the population are a part of a worshipping community (8th out of 41 dioceses). 8.8% of the population engaged with some form of Advent/Christmas carol service (10th out of 41 dioceses).
2. Over the last eight years, including the pandemic, **the Diocese of Chichester has seen slightly lower levels of decline than the Church of England at large**, with total Worshipping Community decreasing by 11% compared with 14% for the whole Church of England.
3. **The diocese has lower levels of baptism (136 per 100,000 population) and confirmation (17.2 per 100,000 population) than the average diocese** (144 and 19.1 respectively). This doesn't take into account fluctuating birth rates across the country.
4. **Church Attendees in Chichester are older than average.** The proportion of Average Weekly Attendance made up by the Under 16's is less than average. Chichester 11.7% compared with 13.3% for the Church of England as a whole. (20th out of 42 dioceses)
5. **Chichester has been able to sustain a relatively high number of stipendiary clergy compared to population size.** Using a more approximate measure from that presented later¹, we have one stipendiary incumbent priest for every 9,414 population (9th out of 41 dioceses) and considerably lower than the average of 11,416 across all dioceses.
6. **Of our clergy, a relatively high proportion are aged under 40** - In 2022, 20% of our stipendiary clergy were aged under 40 (9th out of 42 dioceses).

Section C: Deanery Analysis (Data for this section is provided at the end of this Annex).

¹ National statistics merge curates with associate ministers and don't identify House for Duty priests separately from other SSM clergy. Hence the analysis in 5 above only relates to f/t and p/t stipendiary clergy.

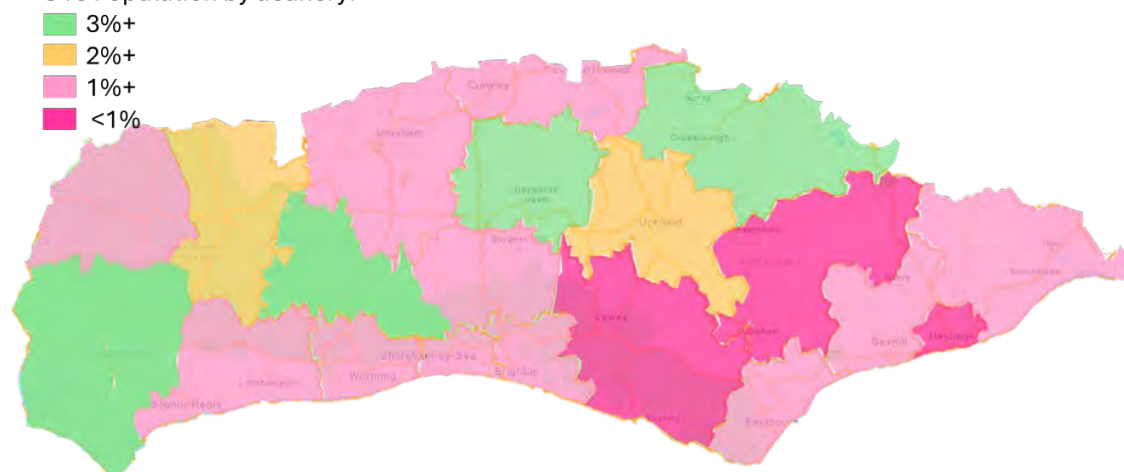
Adult Worshipping Community as % of Adult Population by deanery:



There is a wide range of engagement between deaneries. 2023 Worshipping Community data shows that the percentage of the adult population who are part of a Worshipping Community varies across deaneries from 4.5% (Petworth) to 1.1% (Hastings). Clearly we have no data on attendance of other denominations, which is likely to be higher in urban areas than in rural areas.

An analysis of the U18 Worshipping Community as a percentage of U18 population shows considerably lower levels of engagement, although also with variability (essentially – more of the map is coloured pink). In our most engaged deaneries over 4% of children are part of a Worshipping Community (Cuckfield, Westbourne, Storrington), and in our least engaged the proportion is less than 1% (Dallington at 0.49%, Hastings at 0.87% and Lewes and Seaford 0.96%).

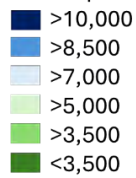
U18 Worshipping Community as % of U18 Population by deanery:



Looking at ministry allocation, it's first considered in terms of the number of members of the population that a stipendiary priest² is looking after. The deanery with the highest population per priest is Worthing (13,140), followed by East Grinstead (12,361). The diocesan average is one priest for every 7,515 people. The deaneries with the fewest population per priest are Petworth (3,098) and Midhurst (3,104) – so each priest in Worthing and East Grinstead is on average caring for four times as many people as in Petworth and Midhurst. (The figures in this section are of course, deanery averages – individual parishes have a greater range).

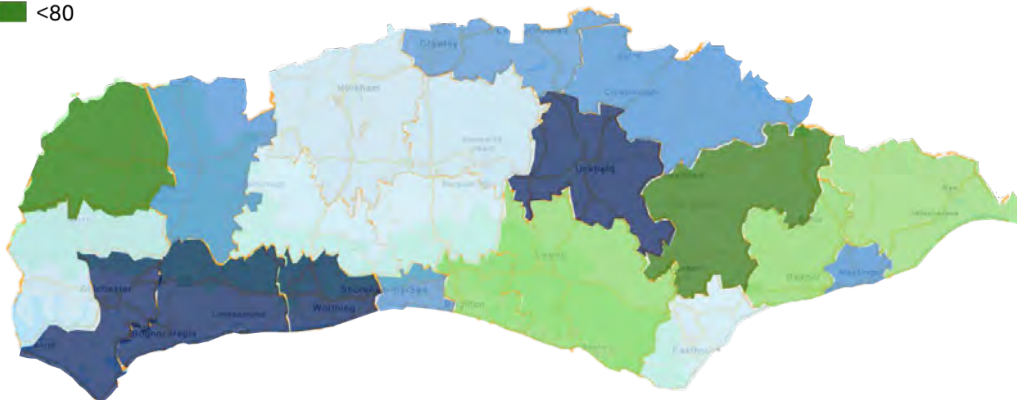
² Stipendiary Ministers include incumbents, associate clergy, part-time clergy (pro-rata) and house for duty clergy (at 0.33 per post as an approximation to two days + Sundays). Curates are excluded.

Civil Population per Priest:



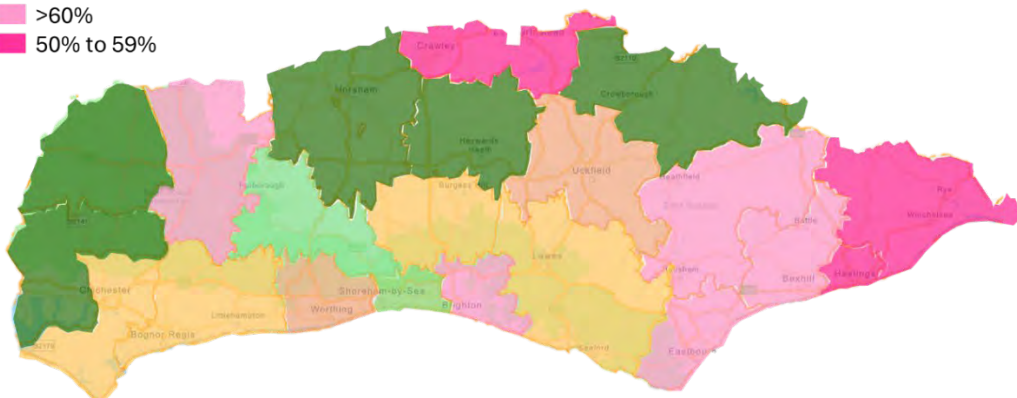
It is also helpful to consider the number of church members per priest, since a large church attendance can give require greater capacity than the parish population would warrant.

Church Members per Priest:



In terms of the ability to fund ministry, there is again significant variation. Five deaneries (each taken as a whole) pledge more than PMC, the other sixteen pledge less. The lowest three deaneries pledge less than 60% of PMC. Some of that may be as a result of deprivation, some will not be.

Parish Share pledged vs PMC:



DATA

For those that prefer to see the underlying data, the numbers behind the map charts on the previous pages are in the table below:

	Adult Engagement		Child Engagement		Pop/Post		Church Members /Post		Pledges as % of PMC	
	%	Rank	%	Rank		Rank		Rank		Rank
Arundel & Bognor	1.9%	17	1.4%	14	10,386	4	153.2	4	83.1%	11
Battle & Bexhill	2.4%	13	1.2%	17	6,258	10	98.3	16	66.1%	18
Brighton	2.1%	16	1.7%	9	9,665	6	85.8	18	67.9%	15
Chichester	3.3%	9	3.9%	4	6,195	11	158.2	3	86.8%	9
Cuckfield	3.4%	7	4.7%	3	5,441	14	111.5	12	115.3%	2
Dallington	2.2%	15	0.9%	21	6,177	12	79.5	20	68.9%	14
East Grinstead	1.7%	18	1.2%	16	12,361	2	146.9	5	56.0%	20
Eastbourne	2.3%	14	1.3%	15	7,304	7	119.8	11	67.9%	16
Hastings	1.6%	21	0.9%	20	10,404	3	145.4	7	57.1%	19
Horsham	2.6%	11	1.7%	10	7,116	9	121.2	10	104.1%	4
Hove	1.7%	19	1.8%	8	9,844	5	141.0	8	90.4%	7
Hurst	2.6%	12	1.5%	13	7,192	8	101.6	15	88.7%	8
Lewes & Seaford	2.8%	10	1.0%	19	5,566	13	98.0	17	85.0%	10
Midhurst	5.3%	2	1.2%	18	3,104	20	67.3	21	105.6%	3
Petworth	6.9%	1	2.9%	7	3,098	21	135.6	9	67.3%	17
Rotherfield	5.3%	3	3.8%	5	4,544	16	146.7	6	101.0%	5
Rye	3.6%	6	1.6%	11	4,247	17	80.2	19	51.8%	21
Storrington	4.6%	5	8.3%	1	3,946	18	107.5	14	94.8%	6
Uckfield	3.3%	8	2.9%	6	5,336	15	159.9	2	74.0%	13
Westbourne	4.6%	4	5.2%	2	3,477	19	109.6	13	128.7%	1
Worthing	1.7%	20	1.6%	12	13,140	1	163.7	1	77.7%	12
Diocese	2.5%		1.9%		7,515		121.2		80.5%	

- Adult Engagement is the 2023 Adult Worshipping Community totalled for parishes in the deanery, divided by the 2021 Adult civil population.
- Child Engagement is the 2023 Under 18 Worshipping Community totalled for parishes in the deanery, divided by the 2021 Under 18 civil population.
- Population per post is total civil population divided by the number of equivalent stipendiary priests, counting house for duty posts as 0.33.
- Church Members per post divides total Worshipping Community across the deanery by the number of equivalent stipendiary priests.
- Pledges as a % of PMC is the total pledges from parishes within the deanery divided by the total of the average Parish Ministry Costs.

AGENDA ITEM 10. DIOCESAN SYNOD MOTION TO GENERAL SYNOD CALLING FOR A NEW FINANCIAL SETTLEMENT.

Overview

The motion contained in this item is a proposed Diocesan Synod motion to the General Synod, and is being debated by a number of Diocesan Synods, with the intention that common endorsement would give strength to General Synod's consideration of it.

Attached is a paper produced by the Dioceses of Gloucester and Hereford who have initiated this discussion, and also a letter from Gareth Mostyn, Secretary to the Church Commissioners, who has been invited to join us and also speak in the discussion.

The essential argument here is that in the late 1990's the Church Commissioners were no longer able to fund their clergy pension liabilities. These were therefore passed to dioceses, who in turn were forced to pass them onto parishes through increased parish share. Relieved of that commitment, since that time the Church Commissioners' assets have boomed whilst dioceses have come under considerable pressure. The proposal here is to re-adjust the balance by returning £2.6 bn of the £9.9bn assets of the Commissioners to dioceses.

It is worth noting that:

1. There is no proposal as to how this would be allocated, and it is likely that comparatively well resourced dioceses and dioceses in more prosperous parts of the country would receive less than others in order to level the playing field.
2. Looking at our resource level in terms of Assets per Capita the national church's assessment is that Chichester is broadly average, and that people living in the diocese have relatively high incomes compared to the national population. We may therefore be expected to gain less under such a redistribution as other less well-resourced and more deprived dioceses.
3. Moving funds back to dioceses may or may not see them grow as well as if the Commissioners retained them, but it would give dioceses greater control. Much of the funding that is distributed from the national church is via a complex and diverse series of grant funding streams.
4. The complexity of having to bid for elements of funding and then engage with different claiming and reporting procedures is significant. Having seen the reporting required on a Racial Justice grant, the diocese is likely to choose not to accept the grant unless a more reasonable reporting regime can be agreed.
5. There are national finance reviews – both of the forthcoming spending plans for the next three years, and also of the models for inter-diocesan funding. Neither currently indicates that it will embrace the fundamental changes that are needed to sustain the ministry and mission of the Church of England through parishes up and down the country.

Raising a Diocesan Synod Motion at the General Synod for a New Financial Settlement for the Church of England

Summary

This paper has been produced by the Dioceses of Gloucester and Hereford to support the proposal of a Diocesan Synod Motion to the General Synod to call for a new financial settlement for the Church of England. This proposed settlement is needed to address the effective disendowment of dioceses that has occurred as an unintended consequence of a previous financial settlement in 1997. It should help to address the deficits in the Diocesan Stipend Funds of most dioceses, including our own, as well as funding growth and missional confidence.

That this Synod:

- (i) call upon the Church Commissioners and Archbishops Council to undertake everything necessary to effect a redistribution of financial resources directly to Diocesan Stipend Funds to reflect the value of contributions made by Diocesan Boards of Finance to the Church of England Funded Pension Scheme since it was established by the settlement of 1997 (£2.6 billion); and**
- (ii) call upon Diocesan Boards of Finance to manage the funds redistributed as a result of the above to support parish ministry in the ways discerned locally to be most effective in enabling growth and sustaining the Church of England's commitment to be a Christian presence in every community.**

Background

1. In 1997, the Church of England faced an emergent financial crisis with the Church Commissioners having become unable to meet their clergy pension fund liabilities. It addressed this with a radical financial settlement. However, the very factors which made this settlement successful for the Church Commissioners' funds saddled dioceses and, through Parish Share, parishes with an increasing burden in excess of the amount of financial contribution actually required.
2. Now, unless a radical, new settlement is reached, the general inadequacies of diocesan stipendiary funds threaten the viability of many dioceses and the sustainability of the parish system itself.
3. The national plateauing of Parish Share contributions only adds to the already unarguable and acknowledged need for the Church to find a long-term solution to the inadequacy of its dioceses' stipendiary funds.
4. The General Synod sessions in February 2023 passed the Diocesan Stipends Funds (Amendment) Measure, which:
 - highlighted the inadequacy of most dioceses' stipendiary funds (DSFs);
 - recognised the imperative for transfers of funds to bolster DSFs; and
 - enabled the discussion on how these funding deficiencies might be resolved to be opened in Synod.
5. However, whilst the Amendment was effective in highlighting the need for transfers into diocesan stipendiary funds, it cannot address the root causes, nature and scale of the DSF crisis, which are that most dioceses have stipendiary funds that are wholly inadequate. Indeed, some appear to be on the verge of bankruptcy.

The Need for a New Financial Settlement for the Church of England

6. For there to be any hope of the Church fulfilling its commitment to revitalising our parish system, most dioceses need injections of tens of millions of pounds into their DSFs to make their parish ministry supportable and sustainable.
7. To have any effect, this settlement needs to be **radical, structural and enduring**. Nothing less than a radical, once in a generation solution will address this crisis and enable the revitalisation of the parish to which our Church is committed. It will require the transfer of sufficient funds from the Church Commissioners, remembering, that **these funds were established and are held in trust to support the provision of parish priests**.
8. A paper presented to the Archbishops' Council's Finance Committee "The 1997 Settlement: Its Effectiveness and Consequences" by Benjamin Preece Smith (Diocesan Secretary, Gloucester and member of the Archbishop's Council's Finance Committee) is based on sound analysis and makes the compelling case for significant transfers from the Church Commissioners' funds to fund priest stipends.
9. The paper relates how, in 1979, with assets of less than £3.5bn to serve an estimated pension fund requirement of £2.2bn and rising, year on year, the Church Commissioners funds were destined to become "just a pension fund" in little over a decade with the Church facing the probable end of the Church Commissioners established and vital role in funding parochial ministry.
10. The 1979 settlement proved a monumental success. By 2020, the Church Commissioners had funds of £9bn to offset against decreasing pension liabilities of only £1.5bn, i.e., 16%.

This settlement:

- passed the Church Commissioners' pension obligations to a newly established pension scheme managed by the CEPB and funded by contributions from diocesan boards of finance (DBFs); and
 - limited expenditure from the Church Commissioners' funds, actuarially, whilst seeking to invest in growth assets.
11. By 2006, Benjamin Preece Smith's perspective was that, not only was the 1997 settlement working, it risked working too well.
 12. In that settlement the "heavy-lifting" of enabling this change fell on DBFs, and by extension PCCs. It was they who were tasked with funding the change. The aspiration was that individuals (congregants) would give sufficiently in response to the call to them to fulfil the pension need. Unsurprisingly, this failed to happen. Arguably there are two significant factors in this shortfall: **pension contributions are almost double the original estimates and congregations have declined significantly**.
 13. A key unintended consequence of this failure is the necessity of DBFs having to sell assets to meet pension obligations whilst the inadequacies of diocesan stipendiary funds has forced many dioceses to have to consider or, indeed, resort to reductions in parish clergy.
 14. In the period 2000-04 aggregate pension contributions from DBFs to the Church of England Funded Pension Scheme (CEFPS) were £186m, offset by asset sales of £105m. In the five years 2016-2020 aggregate equivalent pension contributions were £367m. The implication is that DBFs are selling historic assets to fund the pension contributions required by CEFPS. **This equates to a wholesale shift in endowment funds from locally-owned and managed property to centrally-owned and managed funds.**

15. The most salient point in the need for a new financial settlement is this:

If the DBFs had not paid pension contributions but instead invested their contributions in CCLA's investment fund (the most likely use of "surplus" funds) the aggregate value of those investments would be worth in the region of £2.6bn. This could be seen as the cost of disendowment from DBFs/PCCs required to establish the CEPB.

16. As well as this below-the-radar transfer in endowment, the shift in financial strength appears to have shifted the Church's "strategic control" away from bishops and dioceses (i.e. close to deaneries and parishes) to the NCIs (National Church Institutions). This has resulted in the effective disenfranchisement of the local Church.

The Nature of the New Settlement

17. The Motion provides the Church with the opportunity to make a long-overdue, new settlement; the sufficient, strategic re-endowment of dioceses to address the acknowledged and critical deficiencies in DSFs and enable the revitalisation of its parish system possible by making significant and sufficient transfers from Church Commissioner funds to re-endow parish ministry via the DSFs.

Safeguards and Justifications for the New Settlement

18. This proposal would result in:

- The portion of the Church Commissioners funds involved not being expended but simply reallocated;
- The transfers could be made conditional upon the investment management of these funds transferred to DSFs continuing to be undertaken by the Church Commissioners.;
- The assurance that the transferred funds would be well-managed to optimise returns, given the Church Commissioners' positive investment performance in recent years;
- the Archbishops' Council/Church Commissioners being saved from needing to make so many grants and of such high values in the future;
- with the funds transferred directly into the restrictions of DSF accounts, assurance that they could not be re-directed but would be required to be used only to fund priests;
- dioceses having the opportunity to experience the benefits of working together on an important initiative and, thereby, starting to challenge the problematic shift of the Church's "strategic control" away from bishops and diocese to the NCIs; and
- the opportunity to promote consistent diocesan accounting practices; an important aspiration for the Church Commissioners and NCIs.

19. The management of the investment of the funds reallocated (the £2.6bn called for) could be retained by the Church Commissioners, particularly if they were managed as segregated funds (by diocese, as has been done in the past) within a newly established charitable trust.

20. £2.6bn is a large sum, however, it is only equivalent to the increase in Church Commissioners' funds since the pandemic. So, reallocation of that amount should hardly affect their capacity to allocate funds to LINC etc;

21. There is a move across the dioceses to build significant support for this with the raising of duplicate motions in as many dioceses as possible. If we can secure motions from a majority of the dioceses there will a good case for it needing to be viewed as 'the will of the Church'.

The Basis for the New Settlement

22. As with the 1997 Settlement, the new settlement should:

- have a planning horizon which is generational i.e., at least 20 years,
- address the root cause and scale of the problem fully, which is that the vast majority of DSFs are hopelessly inadequate for their purpose and that, without this, the parish system will be condemned to its continued, current decline. NB the Diocesan Finances Review has revealed that the aggregated, annual deficit across dioceses can be expected to be between £50m and £60m p.a.; and
- take into account the relentless asset transfers from the local Church to the NCIs over the past 25 years that have stripped out at least £2.6bn of critically needed funds from DSFs.

Conclusions

23. The Church of England financial settlement of 1979 was successful in preventing the Church Commissioner's funds from becoming overwhelmed by its pension liabilities and to enabling them to continue to fulfil their purpose: supporting the provision of parish priests.
24. As foreseen, seven years into that settlement, it has done this with unintended costs to dioceses and parishes and, perversely, their ability to provide parish priests for themselves.
25. This proposal would still leave the Archbishops' Council with a significant and sufficient share of the Church Commissioners' funds (over 75% or £8bn) to fund their other programmes, initiatives and commitments. Indeed, arguably, the Church Commissioners should still be able to release annual funding at a similar rate to recent years whilst still operating reasonably conservatively and complying with actuarial rules.
26. Across all of our dioceses, we need to restore confidence in our parishes in order to grow our Church. So, the new settlement must be suitable, sufficient, generational and delivered as soon as possible to address, fully, the increasing crisis consequent to the catastrophic inadequacies of diocesan stipendiary funds.
27. Without a settlement of that nature, arguably there will be no prospect of the Church fulfilling its stated aim of revitalising the parish system. Indeed, continuing with current, hopelessly and unjustly inadequate financial arrangements will leave us on a trend that risks causing the complete collapse of the parish system in the next twenty years.
28. The call for a new settlement is being pursued as a campaign by the national, diocesan church by seeking replica diocesan synod motions from as many other dioceses as possible; the aim being to demonstrate that this is the will of the diocesan Church whilst, hopefully, strengthening and accelerating the Motion.
29. Whilst it is still early in our programme, the first such Diocesan Synod Motion was passed in the Diocese of Hereford. DSMs have also been passed in Coventry, Gloucester, Bath & Wells and Blackburn with complementary DSMs passed in Oxford and Saint Edmundsbury & Ipswich. Also, the Motion has been passed at deanery synod level in London and in Chelmsford, where it is awaited by its diocesan synods. There are a further 18 dioceses working towards raising the Motion. i.e., over 60% of dioceses are working actively towards replica motions. Also, it is anticipated that the final total number raising replica motions will amount to 75% of dioceses.
- 30. There are no other viable options. There is unlikely to be another chance. We need to seize this opportunity and drive forward to secure this new financial settlement if we are to secure the future of our Church and its parishes.**



Gareth Mostyn
Chief Executive

Chichester Diocesan Synod Members

c/o Diocesan Church House
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21 October 2024

Sent via email

Dear Chichester Diocesan Synod member,

Thank you very much for inviting me to join your Synod on 16th November in Eastbourne.

As I will only have a few minutes to speak at the Synod, I wanted to take this opportunity to share some reflections in advance of your meeting.

Firstly, I want to acknowledge how very challenging the current financial environment is in various parts of the Church of England, and the level of anxiety and concern experienced by many dioceses and parishes facing financial near-term shortfalls and longer-term deficits. I am also very aware of growing concerns about clergy wellbeing and the adequacy of clergy stipends and pensions, as reflected in the February 2024 General Synod motion.

The Church Commissioners, along with the Archbishops' Council and the other National Church Institutions (NCIs), are committed to working together with dioceses and others to ensure our financial arrangements can support and enable a missionally healthy and thriving Church. For this reason, the NCIs have commissioned a review of funding arrangements, the 'Diocesan Finances Review', which is seeking to find ways to ease dioceses' current financial stress in a way which helps to develop the Church's longer-term missional and financial health, focusing on support for dioceses by the National Church and simplification of our complex financial flows. This is a wide-ranging review, which is well-progressed, informed by a detailed diocesan data collection exercise, and overseen by a steering group with membership drawn from dioceses and the NCIs, trustees and staff.

The emerging thinking from this review was shared at October's Inter Diocesan Finance Forum (attended by Diocesan Secretaries, Finance Directors and Diocesan Board of Finance Chairs) and feedback has been collected to continue to inform the discussions and work of the steering group. A briefing is also being shared with the House of Bishops for further feedback and input.

The Diocesan Finances Review recommendations will go forward to the Triennium Funding Working Group which will consider the spending plans and priorities for the 2026-28 triennium and beyond. This group meets to determine the prioritisation of national church funding, and comprises a number of diocesan Bishops together with trustees from the Church Commissioners and the Archbishops' Council. It also considers input from wider groups – such as the Inter Diocesan Finance Forum and House of Bishops.

Working alongside and integrated with this process of discernment and prioritisation, the Church Commissioners are responsible for determining the maximum sustainable level of distributions that can be made available from the Church of England's endowment fund, which is stewarded by the Commissioners. I will be working with my colleagues to seek to ensure that we make available as much funding as possible, whilst remaining focused on the Commissioners' fiduciary responsibilities to be able to maintain distributions to support the Church of tomorrow as well as today, in order to respond to the financial pressures facing you and many other dioceses, parishes and cathedrals.

I am aware that a number of diocesan Synods like yourselves are debating motions calling upon the Church Commissioners and the Archbishops' Council to distribute £2.6bn into Diocesan Stipend accounts – a 'new settlement' as it is sometimes described. We in the Church Commissioners together with our colleagues in the Archbishops' Council recognise that this is motivated by a deep desire to address some of the financial issues I have already mentioned, and thereby seeking to support the Church's work across communities.

At the same time, I am also very aware that the Church of England financial system is complex and so needs to be considered in an integrated way to ensure that the full implications of any proposals are well understood, and I hope to bring some of these factors to your attention as you consider this motion. Clearly transferring money from a national fund to multiple diocesan funds does not in itself 'create' any additional money to support the Church's work, and would necessarily lead to a significant reduction in future funding distributions from the Church Commissioners to dioceses. Indeed, it could very likely lead to a reduction in the overall amount of money available from the Church's aggregate investments over time if multiple smaller funds achieve lower returns or incur higher management costs. It should also be born in mind that any change of this nature, were it to be taken forward, would most probably require primary legislation, which is a long and complex process involving Parliament as well as the General Synod.

As I said, the Church Commissioners manage the endowment for the benefit of the whole Church, both of today and tomorrow, and we take this responsibility very seriously. We will be working hard over the coming months to seek to maximise the funding which can be distributed from the endowment in a sustainable way, within our existing structures and legal responsibilities. We believe and hope that this will prove the most effective way to use the endowment to support you and other dioceses in your work. We invite dioceses to continue to engage proactively with the work of the Diocesan Finances Review and the Triennium Funding Working Group process to help to inform the best possible decisions for the next triennium and beyond, as we seek to allocate our God-given resources as wisely as possible to serve the mission and ministry of a thriving Jesus Christ-centred Church in this nation.

I look forward to meeting you on Saturday 16th November, and to hearing the viewpoints and questions that you have.

Yours in Christ,



Gareth Mostyn

Copied to:

The Right Rev'd Dr Martin Warner, Bishop of Chichester.
John Preston, Diocesan Secretary – Diocese of Chichester.

AGENDA ITEM 11. REPORT FROM GENERAL SYNOD

A report of the July 2024 group of sessions for the General Synod

This group of sessions had a very full agenda with several substantial items for Synod members.

Synod opened with a Presidential address from the Archbishop of York who addressed the need for us to live together well in times of uncertainty and not to be confrontational reminding us that *“Christ came to save us from this: to bind us together as one, uniting our life with his life and with him to the Father”*.

The Presidential address was followed by a presentation from the Ecumenical guests from Finland focusing on youth engagement.

This was followed by a presentation entitled A wisdom of trust: building and sustaining trust in the Church of England. At a time when many in Synod and across the Church feel there is a lack of trust this presentation was well received and I would encourage people to read the report that was presented as part of the Synod papers.

(<https://www.churchofengland.org/sites/default/files/2024-06/gs-2354-trust-and-trustworthiness-within-the-church-of-england-a-preliminary-report.pdf>)

High on the agenda was Safeguarding, the main item an update for Synod from the response group who are looking at the Jay and Wilkinson reports that were delivered to Synod in February. Synod noted the progress the review group has made and in a calm debate there was a move towards a middle way of delivering the recommendations made in the reports that may well result in a greatly improved national safeguarding structure for the Church. However, with such a complex matter there is still work to do and the review group went away to continue their work.

The other key debate on safeguarding called for an independent inquiry into the abuse in the Soul Survivor Network. Whilst this was lost to a motion presented by the lead Bishop for Safeguarding there were strong calls for closer monitoring for strong leaders in the Church. The Archbishop of Canterbury acknowledged that the debate had raised questions around this and said *“how we deal with very powerful leaders. . . You don’t want to quench them, but you do want to make sure that they don’t go bonkers.”*

The National Redress Scheme for victims and survivors of church-related abuse completed its revision stage during Synod.

Further work has been undertaken around the reorganisation of the National Church Institutions and the legislation required is now at revision stage. This will see a merger of various organisations into one organisation, streamlining the way in which the national church works.

There was a presentation with questions and a debate on the Living in Love and Faith work. Whilst Bishop Martyn Snow recognised that none of us get what we want Synod agreed to

remove the bar to the use of Prayers in Love and Faith in stand alone services and to provide delegated episcopal ministry for opponents of the changes. The decision for clergy to be allowed to enter into same-sex civil marriages has been deferred until February.

Other debates took place around Clergy well being with a Diocesan motion from Winchester to ensure that clergy terms and conditions include the right to 36 hours off in a seven-day period including 24 hours uninterrupted time off.

There were very good debates brought by Dioceses on welfare and common good. Firstly, around disability with a focus on the Human Dignity of Disabled Children with some very inspiring stories told by members of Synod, who themselves have disabled children. A debate was held around Food Banks and the Inadequacies in Social Security with calls for an increase in payments to ensure that benefits reflect the real cost of living. A call for a day of prayer and action for the persecuted Church was debated and passed unanimously.

In addition to these we spent time on reports from Church Commissioners, The Archbishops Council, National Church Budget, Registrars fees and Chancel repair liabilities.

The final presentation to synod was a very positive one from pupils from Archbishop Holgate School, in York, and the Archway Learning Trust, in Nottingham it was good to hear the voices of young people in Synod.

Martin Auton-Lloyd and Jacob Vince

AGENDA ITEM 12. REPORT ON THE BISHOP'S COUNCIL

Report of the two meetings of the Bishop's Council since the last synod.

The Bishop's Council were provided with an extended safeguarding report, which included updates on several key areas. Notably, clergy safeguarding training compliance remains high, though the compliance rate for Parish Safeguarding Officers (PSOs) dropped in April 2024. This drop is likely due to a 14% turnover in PSOs following the Annual Parochial Church Meetings (APCMs). Further work is being done to understand this situation better. Charlie Parker recently joined the safeguarding team to focus on development and learning, which will complement the case workers' efforts.

The upcoming INEQE Safeguarding Audit is set to provide valuable external assessment, and engagement from the diocese has been strong, with 630 people completing the pre-audit survey—the highest of any diocese to date.

The membership of the Diocese Safeguarding Advisory Panel (DSAP) is under review, though challenges persist in engaging statutory bodies. However, this is seen as a sign of confidence in the diocese's safeguarding practices, in contrast to a decade ago.

It was noted that the number of attendance agreements in place may be higher than in other dioceses. These agreements are used only where the safeguarding team is confident that local leadership can manage them effectively.

The safeguarding team is also encouraged to network with other voluntary organisations to share best practices. The diocese will participate in a domestic abuse conference in early 2025.

The Safeguarding team are looking into ways to incorporate survivor voices into safeguarding work. Currently, survivors receive support through partnerships such as the Survivor Network, and survivors also contributed to the PCR2 review. The diocese plans to promote a domestic violence course more widely in 2025, though it will not be compulsory for clergy.

In addressing safety concerns, it was acknowledged that many people feel unsafe for various reasons, and the church must engage pastorally with these individuals.

Various reports were presented to the Bishop's Council.

The Bishop informed the Council that the diocese will participate as a pilot in managing the seal of confession, following discussions stemming from the Independent Inquiry into Child Sexual Abuse (IICSA). This initiative will include appropriate clergy training and the introduction of a penitence charter to clarify what it means for penitents to make a confession.

The Diocesan Board of Finance (DBF) is committed to reducing future budget deficits, which will involve decreasing the number of clergy. The Senior Staff are exploring how to reduce clergy costs while ensuring that ministry and mission across the diocese are sustained.

Although Chichester is in a better financial position than other dioceses, current income cannot support the present number of stipendiary clergy.

The Council encouraged creativity in exploring authorised forms of ministry, especially lay ministry, and providing additional support to parish officers to prevent clergy overstretch. The goal is to reduce the deficit significantly by 2026, with incremental improvements each year.

CD presented the 2025 budget, which is largely similar to the version circulated in July. A new one-page financial summary and a guidance sheet for PCCs on pledge decisions are included in the budget pack.

The first autumn deanery meeting was positively received, with good engagement. There was support for encouraging churches to use card readers for donations and to review mid-year pledges, giving more if possible.

The Council approved the capital strategy's principles and approach.

The Diocesan Secretary presented the diocese's strategic planning efforts, which will be used to submit a bid for the Development Investment Programme (DIP). The strategic plan has identified three key priorities, underpinned by the need for sustainability. Unlike previous projects, DIP funding will likely be spread across more churches, resulting in smaller but more widely distributed support.

The 2025-2030 vision will build on the 2020-2025 vision, which was disrupted by the pandemic.

The Environment Policy, developed in alignment with the Ethical Investment Advisory Group's guidelines, was approved. A Menopause Policy was also approved with minor tweaks coming back to the next council meeting for a final version, including a DBF-specific policy, will be presented at the next meeting.

The management accounts were noted, with the forecast showing a deficit in line with the budgeted £1.5 million. This is largely due to lower parish share collection rates, despite efforts to reduce costs at Church House.

The proposed agenda for the upcoming Diocesan Synod was approved.

The annual return to the Charity Commission was approved, pending any amendments from the Audit Committee's meeting on 30th September.

Changes in the governing boards of some Schools were noted, reflecting adjustments in governance and leadership roles.

The DBF supported a motion for the charity Together in Sussex to be dissolved. Additionally, an update on cyber fraud was noted.

Canon Mark Gilbert, Vice Chair House of Clergy