

COMMON MISSION FUND REQUEST 2024

Proposal to Diocesan Synod June 2023

Introduction

1. As Synod is aware, we are currently preparing detailed proposals for the next Diocesan Three-year financial plan (covering 2024 to 2026). We are grateful for the input and responses we have received during the last 6 months of consultation.
2. To ensure Synod can properly discuss, debate, and approve the budget, the Business Committee have decided that an additional, special meeting of Synod will be held on 11 September 2023 (via Zoom). It is intended that this should be a single item agenda solely to approve the three-year financial plan.
3. In reaching this decision, the Business Committee noted that this risked the approval of the 2024 Common Mission Fund (CMF) requests being delayed till September, thereby giving PCCs less time than usual to plan their local budgets for 2024. As a result, it was agreed that we should detach the approval for the 2024 CMF request from the approval of the full budget.
4. We acknowledge that this is not ideal in process terms, but the Business Committee believe that the importance of allowing space for a proper discussion on the Budget outweighed the risks of approving the CMF request separately.
5. As a result, Synod is being asked to approve the CMF request for 2024 at your meeting on the 22 June.

Rationale for CMF Request

6. As Synod will be aware, the Common Mission Fund is the method we use across our diocese for asking all PCCs to contribute to the costs of our shared mission, ministry, and operations. A detailed explanation of the process for calculating the Common Mission Fund request can be found here: <https://winchester.anglican.org/wp-content/uploads/2022/08/Common-Mission-Fund-Guidance-Booklet-2022-1.pdf>
7. The last three years have seen exceptional financial and missional challenges for our parishes which have inevitably impacted on their collective ability to give to the CMF.
8. In considering how much to request in 2024, the Bishop's Council (Directors of the WDBF) have considered three factors:
 - i. Level of income required to fund expected expenditure for 2024
 - ii. PCC Responses to the Budget Consultation Process
 - iii. Prior year CMF Collection levels

Required Income

- a. Whilst the budget for 2024 is not finalised, the main factors and assumptions (no. of stipendiary clergy, stipend increases etc.) that drive costs have been tested and reviewed by both Houses of Synods, the Diocesan Finance Committee and Bishop’s Council. There appears to be strong support for the direction of travel.
- b. Our current modelling suggests that a total CMF request of £8.6m would be sufficient to fund our expected expenditure in 2024.
- c. As the briefings shared with the Synod Houses highlighted however, there is a longer-term risk that the gap between CMF income and total expenditure will widen in future years without further action. This represents a clear missional and strategic risk for our diocesan community. The Bishop’s Council are acutely aware that urgent work will be required during 2024 and 2025 to start developing a new shared strategy for our diocese.
- d. On one level it would therefore be reasonable to request greater CMF in 2024 to ensure that the gap in future years is reduced or removed. This approach would only work however if the request were affordable for our parishes.

Consultation Responses

- e. To understand this issue of affordability, we posed a question to all PCCs as part of the Budget Consultation process asking respondents to indicate their expectations for their ability to meet CMF contributions over the next 3 years.
- f. Just over 50% of respondents indicated their contributions would need to stay the same or reduce, with 48% indicating they hoped to be able to increase contributions. As only around 50% of PCCs responded these results can only offer us a high-level indication of CMF affordability.
- g. As ever, the picture will be mixed across our 250 parishes, so a prudent approach seems wise.

Prior Year CMF Collection

- h. The responses to the consultation must also be considered in light of the CMF actual performance in recent years:

CMF	2020	2021	2022	2023 <i>(projected)</i>
Requested	£10.1m	£9.3m	£9.6m	£9.3m
Received	£9m	£8.5m	£8.5m	£8.5

- i. As the table above highlights, since 2021, we have only managed to collect £8.5m in CMF from our parishes regardless of the amount requested. Our current projections for 2023 (based on detailed information from our Deanery Finance Chairs) suggest a similar outcome this year.

9. In reviewing these factors, the Bishop's Council concluded it was vital to set a CMF request at a level that was achievable and credible, whilst still providing a level of mutual challenge to increase contributions over recent years. The figure of £8.6m was therefore agreed.

Motion

10. The Directors of the Winchester Diocesan Board of Finance propose the following motion to Diocesan Synod:

This Synod authorises the Directors of the Winchester Diocesan Board of Finance to request a total of £8,645,000 in Common Mission Fund contributions for 2024 from our parishes to support the costs of mission and ministry of our diocese.

CH
June 2023