

Deanery Finance Consultation 2025

Summary of Feedback and Next Steps

Introduction

1. In November 2024, a paper was presented to Diocesan Synod, setting out the concerning state of Diocesan Finances. Synod requested that this information be shared with the wider diocesan community through a series of Deanery Consultation events.
2. In the first 7 months of 2025, members of the Finance Committee visited all 13 Deaneries to share the report, offer an overview of diocesan finances, and seek feedback, and respond to questions. They were supported in this task by Head of Finance, Assistant Diocesan Secretary (Operations) and the Diocesan Secretary.
3. The Finance Committee are grateful to all those who attended the meetings and engaged with the discussions in such a productive and positive manner. It is clear that there was genuine gratitude from deanery and parish representatives for the opportunity to ask questions and dig into our shared finances in detail.
4. It was clear in a couple of deaneries that the briefing paper had not been circulated to all PCC members as requested despite being shared widely and in good time. This meant that some conversations were not as in depth as they could have been. The Finance Committee are very aware of the pressures on local office holders and so do understand that messages and requests from the Diocesan Team can be missed. The Committee will reflect further on what can be done to assist this type of consultation and dissemination process in future, given the desire for greater clarity and increased communication.

Summary of Feedback

5. To assist PCCs and Deaneries in responding to the consultation, 6 questions were included in the covering letter circulated in December 2024. These questions were discussed at each consultation meeting, with a particular focus on number 5.
6. We have summarised below the main feedback we received in response to these questions. Inevitably, across 13 Deaneries, representing over 230 PCCs, there were differing views, priorities and perspectives. In summarising responses, we have attempted to not only capture the comments that were most common, but also those that the Finance Committee felt offered an important perspective.
 1. What surprised you the most?
 - The total CMF request was less than the cost of clergy and parish ministry support costs.
 - The average cost of clergy calculations.
 - Cost of Bishops covered nationally not by CMF.



2. What encouraged you the most?
 - The consultation process and transparency of reports showed there was a genuine desire to engage and understand.
 - Positive signs of CMF recovery.
 - Finally 'understanding' Diocesan finances and realising that some of the myths at parish level were not true!
3. Are there any areas you would like further clarification on or to know more about?
 - Do we have a strategy to address Church Buildings (*range of views from those believing there was an overwhelming need to close/see churches and those seeking greater support to retain them*)
 - The Church Commissioners funding strategy for local churches.
 - DBF reserves position and split of investments against assets.
 - Could we have a slide showing the 'average cost of a LLM' or BCM etc. This would help show the value we place in them.
4. Were there any areas you disagree with or wish to challenge? If yes, please specify.
 - Dislike/discomfort with the average cost of clergy model (this was not a universal view).
 - Some challenges to the sale of specific houses.
 - Questions over the need for the number of DBF employees
 - Net Zero carbon as a priority for smaller churches
5. How do you feel about the decision to wait and focus on sustainable growth before seeking to make further cuts to our shared diocesan costs?
 - Overwhelming support for the principle to wait before making further cuts.
 - Greater clarity of what 'sustainable growth' would mean in different contexts.
 - Questions about where will growth come from, with a sense in some places of some concern or even scepticism that growth was achievable
 - How many years we could manage to cover significant deficits before we hit a crisis?
6. How might your PCC respond to this report?
 - Not much time was spent on this question at the actual consultation events, but the improved year to date CMF collection rate this year appears to imply greater willingness and trust from the majority of our PCCs to prioritise the CMF.

Update on National Funding Landscape

Since the consultation the results of the national Diocesan Finance Review across the whole CofE has concluded. This process was seeking to address the significant national financial challenges faced by the almost all dioceses at the current time. Whilst this work was happening, General Synod separately agreed to improve clergy remuneration, requesting increases in clergy stipends and pensions.

The main headlines of the review are as follows:

1. All Diocesan Apportionment (DBFs contributions to the national church) have been ceased. *(Saving to Winchester of c £900k pa)*
2. A new Ministry Training Fund is being created. This will replace part of the Diocesan apportionment above, and require all Dioceses to make contributions based on a national formula *(Cost to Winchester of c£440k pa)*
3. Time limited funding of £200m to be offered to dioceses over the next 9 years.
 - a. £100m of this will be provided direct to DBFs through an apportionment formula. *(c £2m benefit to Winchester over 9 years – distribution to be tapered down)*
 - b. The other £100m to be provided to DBFs through the Strategic Mission & Ministry Investment Board. DBFs will need to apply for support, linking applications to the wider strategic bids. *(Awaiting details. Winchester may potentially be able to apply for a further one off amount of £2m when our DIP bid is submitted.)*
4. Clergy Stipends to be increased by 7.1% to reach new national benchmark as per General Synod decision *(Increase cost to Winchester of c £660k pa for Winchester)*
5. Clergy Pension Provision to be improved inline with General Synod decision. *(Increase cost to Winchester of c £35k pa)*

Overall, the net positive impact for our diocese will therefore be limited. Whilst the £2m time limited funding is appreciated, with the tapering down of contributions, by 2030 this will have a negligible impact on our diocesan finances.

Next Steps

7. This information is being shared with Diocesan Synod as we start to develop and design the Diocesan Financial Plan for 2027 to 2029. This will involve further consultation processes (in some form).
8. For now, we would like to reaffirm our thanks to all those who engaged in the process and remind PCCs that members of the Diocesan Team are always willing to visit meetings to discuss Diocesan policies and finances.
9. We feel it is appropriate to finish our report with the words of our Diocesan prayer:

Gracious God,
who alone brings growth to your Church,
send your Holy Spirit to bring
fruitfulness from our serving,
wisdom from our learning,
joy in our growing,
grace to our loving
and unity in our purpose
Through Jesus Christ our Lord
AMEN

**Finance Committee
September 2025**