

## Mutual support of other dioceses

### Context

1. Following discussion at Diocesan Synod in 2019 and 2020, Bishop's Council in 2020 decided that we should give away an amount of £250,000 p.a. for four years to the least resourced dioceses. This award of £1m finishes in 2024. It is being paid to the Archbishops' Council, which is allocating it at the level of £50,000 p.a. to the five poorest dioceses, which it has calculated to be Birmingham, Canterbury, Liverpool, Sheffield and Newcastle. It has attracted much affirmation and appreciation from the dioceses concerned, and from the national Church, including in General Synod.
2. As Bishop's Council is now reviewing proposed expenditure for the duration of a five year projection, it was right to consider whether this support should continue beyond 2024, and if so in what form. It will also be helpful to recipient dioceses to know in advance so that they can plan accordingly. On this occasion, Bishop's Council considered that it was right for the decision to be made by Diocesan Synod and so is bringing in this paper its recommendation to Synod for consideration and, hopefully, endorsement.

### Need for mutual support

3. We need to address this question first from a theological and missional perspective. God has given his Church resources to steward wisely. The resources held at diocesan level are spread very unevenly between dioceses. For historical reasons, our diocese has a significantly higher amount of glebe land and investments than other dioceses. Much of this disparity was caused during the Industrial Revolution, when the population moved to towns and cities but the glebe assets remained in the rural areas they left.
4. 2017 figures show that Oxford diocese had £65 glebe assets per head of population, whereas the same figure for Liverpool diocese is 65p. Although the investments we own have been well managed, and this will account for some of the overall disparity, we are blessed to have had the assets to manage at all. Another way in which our diocese is wealthy is due to the high land values in our part of the country. Land here is worth more than land in other dioceses, particularly those in the north. Although our Property department has been (and continues to be) skilled at selling land for development, many other dioceses simply cannot do this at all. We must acknowledge that we are disproportionately wealthy compared to many other dioceses.

### Theological Perspective (written by Bishop Steven)

5. The Scriptures are clear that Christians and Churches are to be generous. How do we practise that generosity at a Diocesan level? I think there are two principles to be borne in mind.
6. The first is the call to the Diocese as well as to individuals and parishes to give to those who need support in different ways beyond the Diocese: to remember the poor (see 2 Corinthians 10). We pray daily for the coming of God's kingdom. In Christ, that kingdom was made manifest, and it began with being and bringing good news to the poor. This manifesto was not a new message; it is also threaded through the Hebrew scriptures. In recognition of our wealth as a diocese comparative to many other dioceses with very limited resources, and surrounded by high levels of poverty, we have a calling to respond generously. Our giving should be proportionate and a priority and offered with joy.
7. The second is the call to have the courage to use the funds we have been given in God's mission and for God's kingdom, potentially including in other dioceses. By God's grace, the Diocese of Oxford has far greater reserves than 25 years ago. We are amongst the wealthiest dioceses in the Church of England and must ensure that we do not simply amass funds (tearing down our barns to build bigger ones) but invest what we have been given strategically. This suggests to me continued courage in releasing funds for mission in the present.

### Proposal

8. Providing support to the five poorest dioceses is a formula that has worked well and been well-received. Inflation will be a factor affecting poorer dioceses at least as much as us and so Bishop's Council has decided that it would be appropriate to increase the amount offered per diocese from £50k pa to £60k pa: the latter would be around the total current cost for a diocese of a stipendiary post. A commitment of **£1.5 million over 5 years (£60k pa to each of five dioceses)** is a more sacrificial step as it would be a higher proportion of the total return funds than when the original decision was taken (as we are forecasting lower amounts being available from total return).
9. It is proposed that this would again be on the basis that it is for the receiving diocese to allocate the monies as they see fit in the light of their mission and ministry needs, but we would this time formally ask to have a report from them each year on how the money has been used. It is also intended this time that, whilst the Archbishops' Council would calculate the five poorest dioceses (and therefore identify to whom we would make allocations), we would then make allocations direct to those dioceses. This has been included in the 5-year projections to 31.12.28 - and because in accounting terms it is an unconditional allocation when the decision is taken, it is currently shown as a 2023 allocation.

## Diocesan Investments

10. The funds for consideration in the context of a decision to give away money to other dioceses are the glebe investments which are within the scope of total return accounting. For transparency, we should be clear that decisions made to allocate funds (including on mutual support) as a consequence of total return accounting result in expenditure being made from the diocese's general income, of which the largest element is from parish share. This is as glebe funds can only be used for stipends and related purposes; the DBF's financial statements therefore show equivalent matching allocations being made between the glebe and general funds (see note 14 in 2022 financial statements). In the case of mutual support, funds could be granted (under a new power) directly from glebe returns, but we are proposing not to, to allow recipient dioceses to use the funds according to their greatest needs, rather than limiting them to stipend-related purposes.
  
11. The total return funds that will be available over the next five years depend on the performance of the investment markets, on the gains on glebe land receipts and on the level of inflation (as it is only the gain that is available after allowing for inflation, to preserve the real value of the funds). These funds are being used for the following purposes:
  - a. An allocation which offsets the amount of parish share (the amount of parish share payable would otherwise be about 20% higher). Bishop's Council has decided that this amount should increase by the level of stipends inflation each year. In practice, the proportion allocated for these purposes already amounts to about half the total and will continue to increase if investment returns net of inflation are lower than in the past (as we are predicting).
  - b. Mutual support of other dioceses (the subject of this paper)
  - c. Development Fund (an external review is underway, which is due to come to Diocesan Synod in June 2024). We would expect to have funds to be able to continue with the current level of funding of £800,000 a year, but Synod will have the opportunity to express a view on this next June.
  - d. Strategic expenditure in the area of the environment, new congregations, children and youth and other areas including discipleship, addressing poverty and inequality and racial justice.
  
12. With reasonable allowance made for all the above, the current five year forecast shows available total return funds reducing from £30 million to below £10 million (the buffer set by the Finance Committee as a reasonable margin) but remaining positive. The latter figure could improve or worsen substantially depending on investment markets in particular. Bishop's Council would in any event advocate that, if it were necessary to make reductions in planned spend, that should not be at the expense of mutual support of poorer dioceses as, however difficult our finances may look or become, the financial

position of the poorest dioceses is likely to remain acute (several are currently running at very large deficits).

**Diocesan Synod is invited to approve the recommendation from Bishop's Council that £1.5 million be made available for the support of the five poorest dioceses (as determined by the Archbishops' Council) over the five year period 2025-29.**

Mark Humphriss  
Diocesan Secretary

On behalf of Bishop's Council

27 October 2023