

# Briefing note

## From the extra Diocesan Synod held on 20 January 2020



### Introduction

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This is a short briefing note to summarise the key points from a Diocesan Synod presentation on the financial situation in the Diocese of Liverpool. It is an aide memoire for members of Synod. We hope that members of Synod will feel confident in sharing its core messages, particularly with Deanery Synods and PCCs. We welcome any feedback or questions arising from this briefing and any subsequent conversations. Please email [mike.eastwood@liverpool.anglican.org](mailto:mike.eastwood@liverpool.anglican.org) with any questions or comments.

### Background

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In 2022 the Diocese of Liverpool, in common with many dioceses in the Church of England identified a structural deficit – in our case of up to £1 million. The immediate cause of this deficit was a post-Covid fall in regular giving levels, coupled with a major cost of living crisis which also impacted on giving. However, we believe that the underlying cause is an unjust financial settlement. Simply put, the Diocese of Liverpool has considerably lower historic assets than any other diocese in the country and – coupled with our challenging demographics and low land and asset values – means we have significantly less income available to support mission and ministry in our parishes.

Our stated and synodically agreed position is that we don't simply sell assets to finance revenue deficits. Therefore, the solution to our structural financial problem had to lie either in increasing our income or reducing our costs. Given our view that there is an injustice in the current financial settlement, alongside our strongly held position that there is no route to significant cost cutting that will not be missionally damaging, we engaged in a conversation with the national church about the possibility of a new financial settlement for the Diocese of Liverpool.

This conversation began substantively in March 2023 when we presented our case to the Strategic Mission & Ministry Investment Board (SMMIB) of Archbishops' Council. At that meeting we asked for 3 areas of support:

1. Stabilisation funding of up to £1 million as a short-term measure to support our 2023 budget.
2. Support to begin significant work on what we termed category C parishes, namely those parishes paying less Parish Share than parishes in the same socio economic group.
3. An Independent Review of the Diocese of Liverpool (in reality St James House) to see whether our financial position was caused by:
  - a. Poor management and/or not doing things that other dioceses were successfully doing
  - b. An unjust financial settlement

SMMIB supported all three requests.

The Independent Review was conducted between June and September 2023. Its broad conclusion was that the diocese is well managed and although it made a series of recommendations none were immediately game-changing

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in terms of the diocesan deficit. It did not, however, make recommendations to the national church about any changes to national church financing of the Diocese of Liverpool.

### **Current position**

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Having considered the Independent Review, and consulted with us, SMMIB reasserted their desire to help and support the Diocese of Liverpool. They stated and proposed the following, namely that:

1. They recognised the diocese's view that its low level of historic assets compared other dioceses is a fundamental injustice within the Church.
2. Their purpose is not to provide funding which simply provides further subsidy to declining churches.
3. Their objective is missional growth aligned to Church of England's Vision & Strategy.
4. They are keen to provide investment in dioceses which have developed comprehensive mission, people and financial plans with the aim of developing diocesan-wide mission and financial strength .
5. Therefore, they want to work with the Diocese of Liverpool to produce a diocesan-wide mission, people and financial plan up until 2030 (we are calling it a development plan).
6. This development plan can then be used to identify what investment and on-going financial support the diocese needs over that timescale.
7. They will award further and final stabilisation funding for 2024 of £750,000 to give time to develop a plan without having to make non-strategic cuts or be forced into decisions which reinforce a spiral of decline.
8. There will be a further award of £500,000 to support clergy housing costs in 2024.
9. There will be no further stabilisation funding beyond 2024.

The timescale for the completion of the development plan is end of May 2024 with a view that any resulting financial support and investment will be available from January 2025.