

Living Christ's Story

York Diocese Strategic Plan

2021 – 2031

Diocesan Synod

November 2022

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Preface

It helps, now and then, to step back and take the long view.

The Kingdom is not only beyond our efforts; it is even beyond our vision.
We accomplish in our lifetime only a fraction of the magnificent enterprise
that is God's work.

Nothing we do is complete,
which is another way of saying that the kingdom always lies beyond us.
No statement says all that could be said. No prayer fully expresses our faith.
No confession brings perfection. No pastoral visit brings wholeness.
No program accomplishes the church's mission.
No set of goals and objectives includes everything.

This is what we are about.

We plant the seeds that one day will grow. We water the seeds already planted,
knowing that they hold future promise. We lay foundations that will need further
development. We provide yeast that produces effects far beyond our capabilities.

We cannot do everything and there is a sense of liberation in realizing that.
This enables us to do something and to do it well. It may be incomplete, but it is a
beginning, a step along the way, an opportunity for the Lord's grace to enter and do
the rest. We may never see the end results, but that is the difference between the
master builder and the worker.

We are workers, not master builders; ministers, not messiahs.

We are prophets of a future not our own.

*Bishop Ken Untner,
in honour of Bishop Oscar Romero*

The following plan represents the distillation of nearly 2 years work: thinking, praying, discussing, arguing, negotiating, discovering the third way. The whole diocese has been invited to be a part of this journey of discernment, led by the Diocesan Leadership Team, the 21 Deanery Leadership Teams, and by colleagues in the Diocesan office.

Every plan constantly evolves. We will need to make space for more discussion about detail, more creativity, more inspiration from the Holy Spirit and, as the shifting sands of the people and place we are called to move beneath our feet, to be able to frequently re-evaluate the journey toward the vision to which we hold firm. As we observe in our coastal communities, we have huge skies but crumbling cliffs. So this is not a detailed map to follow – no such map can exist because the terrain keeps shifting – but a sketched chart with a fixed compass heading.

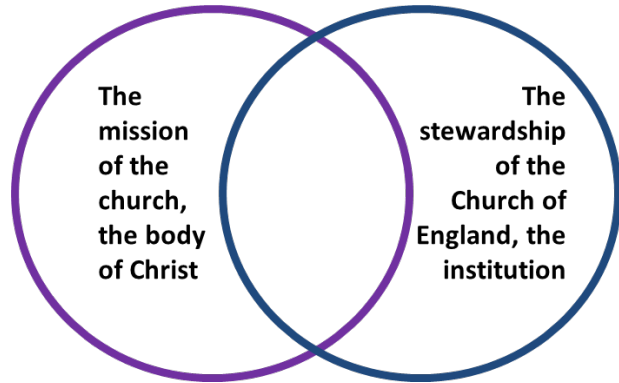
We continue to pray, as Teresa of Avila prayed 'Lord, what do you want from me?' and as Jehoshaphat prayed 'Lord, we do not know what to do but our eyes are on you¹.'

The Lord be with us.

¹ 2 Chronicles 20:12

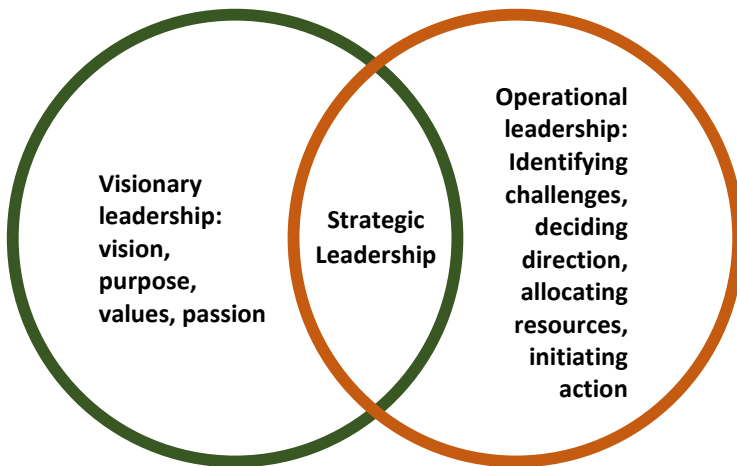
0. The Task

1. The Church of England has 2 different but linked areas of concern:
 - a. As the body of Christ, to co-operate with him in growing the Kingdom of God: to evangelise, disciple, incarnate, serve, transform the world, treasure the creation
 - b. As one of the oldest and most deep-rooted institutions in England, to be the wise stewards of the assets and resources given into our care: the stone, wood, glass, bricks and mortar which represent not just physical assets but centuries of tradition; the care of the 250+ people who are paid through the DBF and the families which depend on a salary or stipend arriving at the beginning of every month; the schools which are part of the diocesan family; care and maintenance of a portfolio of c.200 houses.



2. The task of leadership at all levels in the diocese, including parish, benefice, deanery and diocese, is therefore:
 - a. the development and delivery of a clear strategy for mission, ministry and the pastoral work of clergy, ministers and the whole people of God;
 - b. the wise management of the assets of the institution which is the Church of England; and
 - c. the holding together of a forward-looking vision for 'the church as the body of Christ' and 'the Church as the institution of the Church of England', where we seek to maximise the overlap between a and b above through the development and implementation of a strategy designed to make real a holistic vision for the Diocese.

3. As leaders, we are called to exercise two kinds of leadership: visionary and operational. They are linked but different: heart and head, passion and pragmatism. Both are important. The Living Christ's Story strategic programme has to be about holding the two together in creative tension:
 - a. Living Christ's Story: a vision to inspire, encourage and give shape and energy to our purpose and aspirations
 - b. Revitalised Growth: a strategy which shapes the actions we will take to address the challenges we have identified and enable us to achieve our purpose / vision



4. The Living Christ's Story vision developed out of conversation and prayer in the York Diocesan Leadership Team. As it has been shared with others, including Council, deaneries and parishes, it has been found to be resonant with who we are and who we hope to be. It will continue to deepen and be enriched as we travel together as the body of Christ.

Identifying the key challenges and opportunities²

5. Arguably the institution which is the Church of England is today facing an existential crisis. The key challenges and opportunities we face have been identified as:
- a. Congregations which are declining numerically and getting older – the CofE relies on a huge volunteer network to maintain the institutional framework we have inherited: buildings, the essential tasks of running a church etc. A shift in societal culture away from community engagement plus an inability to grow both congregations and community involvement means that, as existing church attendees age and die, ***in many churches we will run out of people before we run out of money.***
 - b. Financial giving per person in congregations in this diocese is low compared to other dioceses (fourth quartile) – a lack of focus on growing giving as a core component of discipleship plus a lack of investment until recently in how and why people give. While ***money is ‘a’ thing but not ‘the’ thing***, Free Will Offer which has stayed flat since 2014 (and has therefore reduced in real terms) means that the DBF budget gap is widening year on year and now stands at c£2m. This is unsustainable.
 - c. ***A number of our smaller church communities are close to missional and financial collapse.*** 49% of our ministry units³ do not put sufficient into the Common Fund, via Free Will Offer, to cover the direct costs of ministry of their clergy (after taking into the allocation of Lowest Income Community Funding). Some of these Ministry Units are in the least deprived areas of the diocese. Only 12% of Ministry Units are able to contribute sufficient to cover direct costs plus an appropriate share of the pooled costs of the diocese. This is in addition to the growing pressure on finances within the parish for maintenance, energy etc.
 - d. ***Our built heritage is a mixed blessing.*** 80% of church buildings in the diocese are listed, over 50% are Grade I or Grade II*, making them difficult to dispose of – they can’t be demolished or, in most cases, sold for development, and the capacity of charities like the Churches Conservation Trust to absorb them is limited. If the church community is no longer able to look after the building, the closed church becomes the responsibility of the DBF, increasing the costs which would need to be supported by reserves and/or the Common Fund, and thereby reducing the amount of money available to spend on ministry.
 - e. Churches which are maintaining/growing missional and financial sustainability in the diocese, on the whole:
 - i. Have ***a clear vision and passion for growth.***
 - ii. Have ***a focus on holistic and intentional discipleship*** – effective mission, good worship and preaching, small group discipleship, invitation to baptism and confirmation/commitment etc
 - f. ***Very strong schools work***, built on excellent relationships between Schools Advisers and school leaders – a model of influencing leadership to learn from
 - g. Despite excellent work done in schools and a focus on fresh expressions / new worshipping communities such as Messy Church and Multiply in recent years, growing missionally⁴ and financially sustainable models of church for younger adults, children and their families is challenging. ***Mustard Seed and the lay-led aspects of Multiply are already showing good early signs of sustainable growth*** and Multiply continues to explore different models which may lead to sustainability in terms of both ministry and finance.

² More information is available on this work on the diocesan website: [Diocese of York / Living Christ's Story / Resource Centre](#)

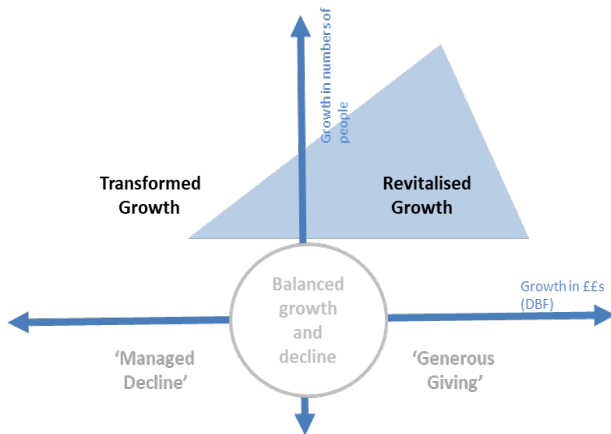
³ That group of parishes which is overseen by an incumbent or priest-in-charge. May be a benefice, plurality or informal group of parishes.

⁴ A missionally sustainable worshipping community is able to grow and resource its own leadership without constant support from the parish church to which it is related.

- h. **Deanery Leadership is growing in confidence and capability** – deanery plans vary in their readiness for implementation but, overall, leadership at the local level is proving increasingly important
- i. **A new Mission and Ministry team is almost complete** - good people in key posts, able to deliver the support needed for a reimagined lay and ordained ministry

Choosing an agreed strategy: Revitalised Growth

To address these key challenges, YDLT, Council and Synod considered four possible strategies:



- a. **Managed Decline:** whatever we do, we cannot grow in terms of people actively involved in church life or financially, therefore we need to manage inevitable decline
- b. **Generous Giving:** we cannot grow numbers of people but we will rely more and more on a declining church population to continue to support ministry until that resource runs out
- c. **Transformed Growth:** we can grow numbers of people in the church but not succeed in increasing the Free Will Offer so we will need to be more radical in how we are church in a low cost/ decentralised model
- d. **Revitalised Growth:** we can grow both numbers of people and also FWO by reimagining mission and ministry and transforming our structures and finances

6. We have chosen to invest in a strategy of 'Revitalised Growth' as the most likely to achieve our Vision and address the key challenges we face. However, we acknowledge that growing Free Will Offer may be a continued challenge, especially in a high inflation environment, such that a lower cost model of ministry – Transformed Growth – may be necessary from 2026 onwards.

1. The Vision: Living Christ's Story⁵

'There are also many other things that Jesus did; if every one of them were written down, I suppose that the world itself could not contain the books that would be written.' *(John 21.25)*

'You yourselves are our letter, written on our hearts, to be known and read by all; and you show that you are a letter of Christ, prepared by us, written not with ink but with the Spirit of the living God, not on tablets of stone but on tablets of human hearts.' *(2 Corinthians 3.2-3)*

As the church of Jesus Christ we have two stories to tell: the story of Jesus's life, death and resurrection; and the continuing story of what Jesus has done through his church, including what he is doing in our lives now by the power of the Spirit. That is **Living Christ's Story**.

Our task as the people of God, here and now, is to live and share the story of Christ by letting God write that story on our own hearts and by writing the next chapter of all that Jesus is going to do here. This is about church being simpler in our systems and structures to serve our mission; humbler because we must acknowledge our failures and live within our means; and bolder because the things entrusted to us in Christ are what the world needs.

To make that vision of Living Christ's Story a reality, our diocesan goals are:

- ***Becoming more like Christ*** – which means receiving and knowing the story ourselves. Before we do anything else we remember who we are: God's beloved children, those whom he came to seek and save. We also remember that we know this story by prayer and service as well as by Bible study and learning. This is demandingly life-changing, and it happens by God's grace alone working with us and through us. Without this foundation, nothing else makes sense.
- ***Reaching people we currently don't*** – by living and telling this story, remembering that the story we share is those two stories of what God has done in Christ and what God is doing through the Church down through the centuries and in us.
- ***Growing churches of missionary disciples*** - by reaching new people and growing in discipleship as a whole church, striving to be younger and more diverse, and to move towards becoming a mixed ecology church, sustaining and developing church life in the many different places in which we live our lives: in church and online; at work or in education; in places of leisure as well as in neighbourhoods. We want our churches to be places where the story of Christ is known and lived out, transforming the communities we serve.
- ***Transforming our finances and structures*** - by finding new ways to support a Christian presence in all the neighbourhoods and networks of the diocese; to find a new story that will not just be about sustaining our life as the church, but recognising that our life needs to be transformed in order to be an agent of God's transformation in the world.

We believe that this vision will be made real by focusing our resources on a strategy of 'Revitalised Growth'. We will commit to becoming more like Christ. We will invest in growing the church in places of potential and find new ways of sustaining ministry in places which will struggle to grow today. We will reimagine ministry and mission everywhere, finding new and better ways to nurture vocations, lay and ordained. We will find new and better ways of being church, simplifying where we can so that we can spend more time reaching people we currently don't and growing as disciples.

⁵ Based on +Stephen's Presidential Address to Diocesan Synod, Epiphany 2022

2. Summary of Agreed Principles and Actions

Vision

1. People across the diocese will be invited to make a commitment to becoming more like Christ, to grow in their discipleship through a focus on prayer, a commitment to the local church and its worship and life, and to the five marks of mission. We will invite people to make a few simple pledges about how we propose to live together as the people of God in this diocese.
2. We believe that the number of people actively involved in church life across the diocese will grow over a 5-10 year time horizon – ie that the number of disciples, their giving and the time they offer will grow.
3. This will lead to a financially sustainable diocese by 2031 but, to achieve this, we will need to see more locally funded or self-supporting mission and ministry compared to roles paid for from the Common Fund.
4. Growth will not happen in every place or congregation: some congregations will grow and others will decline or even die in their present form. Overall, growth will exceed decline.
5. Traditional church attendance will grow alongside new ways of being church. Our emphasis will be on revitalising existing churches through holding in creative tension the deepening of discipleship in those attending church today and reaching those we currently don't: children and their families, young people (including students), 20's-40s, and those in early retirement. Church communities will be encouraged to strive to represent the community they serve, so we will avoid a 'one-size-fits-all' approach to reaching out and empower each church to identify and reach the unreached parts of its own community.
6. We remain committed to developing new models of being church where that is needed to reach people we currently don't, but we recognise that in the current financial climate our capacity to invest significant finance into this area will be limited. Building on our learning from Multiply and Mustard Seed, we will develop a strategy for new and pioneering ministry ('Reach 2') for which we will seek external funding. We note that the current SDF funding for Multiply stipendiary posts is time-limited, and the continuation of this work should be on the basis of financial sustainability.
7. Self-supporting ministry (lay and ordained) will grow numerically compared to stipendiary ministry. Common Fund⁶ money will increasingly be focussed on ministry in missionally and financially sustainable Ministry Units (MUs) and on places of potential. Discerned and equipped self-supporting ministry in every MU will ensure we stay true to our vocation as the Church for England: a Christian presence in every community.
8. We will have a robust Church Buildings strategy which aims to make churches better able to be used for mission and more easily sustained by local communities.
9. We will give deaneries permission to lead mission and ministry creatively and strategically, within the wider resourcing parameters necessary for a balanced budget by 2031. We will invest in the strategic capacity and capability of Lay and Area Deans, and Deanery Leadership Teams, to enable this to happen.
10. We will work strategically with at least 25 MUs over the first 5 years where there is the potential for revitalised growth. We will also support all other MUs whose FWO in 2019 fell just short of their direct costs of ministry, with the expectation that all MUs are able to at least cover the direct cost of ministry by 2026.
11. We will reduce the overall number of parochial posts (FTE) paid for through Common Fund (inc curates) by around 11% over 5 years⁷ but increase the variety of paid posts. There will be
 - a. a net reduction of 'incumbent status' posts (FTE) of 10.77 (6%);

⁶ The money which flows through the Diocesan Board of Finance and from which is paid stipends and pensions of ministers as well as the cost of diocesan and national support services

⁷ From a 2021 baseline

- b. a reduction in the number of stipendiary curates in post at any one time from 25 to 14, by making an average number of new appointments per year of 5 (2018/19 levels) but reducing the average length of curacy through increasing flexibility in the timing for assessing curates as ready for incumbency⁸. We will also seek to take advantage of national church funding to fund further curates where possible.
12. This ‘interventionist’ change will continue for a further 5 years but may change direction, depending on the success of the strategy. Our current aspiration is that at least 40 posts will have been revitalised through targeted intervention over the 10 year period, with a significant improvement in the missional and financial sustainability of the rest of the diocese. There will be a review of the strategy in 2026 to determine the direction of the strategy in years 5-10.

Changes in Ministry

13. By 2031 we will have embedded a theology of ministry which demonstrably values lay and ordained, paid and unpaid ministry equally. We will see:
- a. more priests but fewer Ministry Units and therefore fewer traditional-style incumbents
 - b. a wider range of lay ministries including more paid lay leadership roles
 - c. a leadership culture which enables and values a wide range of different ministries within a church community
14. We will invest in our existing clergy to rekindle or feed their joy in the Gospel and their passion for growing churches of missionary disciples. We will reshape our Ministerial Development Review processes and leadership development to grow the confidence of lay and ordained ministers in the task of leading parishes into healthy growth. We will invest in growing or recruiting the best new clergy to plant seeds of revitalised growth across the diocese.
15. We will learn from and grow through our experiences of Mustard Seed and Multiply. We will grow and equip local ministry for local people in ways which honour their background and the experience they offer. We will encourage pioneering ministries, continuing with our focus on 20s – 40s, but expanding this to encourage reaching children and their families, young adults (including students) and those nearing or in retirement. We will seek to extend the time-limited funding available for lay ministry development, eg Stepping Up and the Multiply Growth Fund. We will look to grow engagement and vocations specifically amongst 15 – 29 year olds.
16. We will develop support and guidance for deaneries and parishes to enable them to plan for future changes to stipendiary (or salaried) posts, including clear guidance on what kind of appointment might be realistic in the future, depending on the potential for growth of a Ministry Unit and the affordability of the resourcing plan.
17. We note the varying responses from deaneries about the capacity of lay people to offer themselves for ministry and while acknowledging this, do not believe it should restrict a vision for greater lay ministry
18. In the short term, we will need to invest in our Mission and Ministry team to make this change possible. up to half of this investment we hope will be funded from external sources.
19. Curates will move into a first post of responsibility when they are ready, reducing the average length of curacy posts from 3.4 to <3 years. We will expand our understanding of Initial Ministerial Education to include the first 5 years post-ordination so that curates are able to move into suitably supported posts of responsibility at the point at which they are ready to take on the role.
20. We will actively seek ways of being more flexible/cost effective in how we house parish clergy (eg more options to live in a smaller property/own home) as part of a comprehensive review of our Property strategy.

⁸ See point 19

21. We may employ some ministers on a salary+pension rather than a stipend+house+clergy pension. We will have an increasing number of paid-for parochial roles funded by the national church and/or other grant-makers – in essence, we will choose to engage with potential funders of sustainable parochial posts where possible.

Enabling Growth

22. We will support deaneries by being ‘permission-giving’ in our approach⁹ as they consider how best to deliver deanery plans, in dialogue with the Bishops and Archdeacons who will ensure coherence across the diocese.
23. We will envision the deaneries, helping them to identify contextually appropriate models for church life.
24. We will support deaneries and parishes in adapting to a hybrid world in which people effortlessly shift between digital and in-person interactions constantly, and where ‘being found’ online is increasingly important.
25. We will establish a realistic but hopeful strategy for revitalising churches which are flagging but have potential to grow, and, in due course, for starting new churches and/or worshipping communities, that can be embraced by each parish and deanery but also allows for strategic interventions at a diocesan-wide level
26. We will aim to reduce the ‘institutional burden’ by identifying ways in which diocesan and deanery support can support the day to day life of the parishes. This will release clergy and lay officers to have more capacity to lead their churches in living Christ’s story where they are.
27. We will prioritise the development of locally-based learning opportunities to equip missional leaders (clergy, lay ministers, church wardens, etc)
28. We will consider when to seek support from the national church and note the voiced need in the Consultation for reaching children and youth, using our church buildings more effectively for mission, church buildings maintenance and resourcing online ministry.

Changes in Diocesan Support

29. We will fund mandatory, essential and strategic roles only. Many of the strategic roles will be 3-5 year posts to invest in growth in years 1 -5, up to half of which we will aim to fund through external funding. Beyond this, new strategic roles may be needed to meet new challenges and aspirations.
30. On the basis that we are only funding mandatory / essential support functions, we will need to seriously consider how the budget for diocesan support (excluding identified and budgeted ‘strategy support’) will reduce at a comparable rate to the reduction in parochial posts over the first 5 years¹⁰. Strategic costs will rise and fall during this period in line with strategy roll-out.
31. We will grow the number of volunteers to support strategic and adviser roles, eg stipendiary clergy taking on extra-parochial diocesan roles, lay volunteers etc. We will need to develop a new skill set in managing volunteers for these roles.
32. We will reimagine/review the roles of our Bishops and Archdeacons, and continue to invest in Area and Lay Dean support, so that we maximise the effectiveness of leadership across the diocese.

⁹ This is a cultural statement rather than a procedural one – we will need to follow legal processes including undertaking proper consultations where necessary.

¹⁰ We need to do some more work on the baseline year for this statement but the intention to reduce pooled costs where possible is clear

Use of Reserves¹¹

33. We will spend the reserves that are required in order to support or enable growth of the Church in the diocese. We will not, as a policy, hold reserves to fund a maintenance model of ministry in the future.
34. We will realise fixed assets (mainly clergy housing) in order to maintain prudent reserve levels.
35. We will consider moving to a Total Return approach if required to fund a growth strategy.
36. These decisions will be reviewed in 3-5 years' time against the success of our growth strategy.

FWO

37. The FWO system will need to be revised / refreshed to recognise the growing awareness across the diocese of the importance of funding parish ministry and the pooled costs of the diocese. Until 2026, the expectation will be for all Ministry Units to cover at least the direct costs of ministry (after the application of LICF) and for those Ministry Units which exceeded direct costs in 2019 to grow FWO in line with inflation.

Capacity to Deliver

38. The Director for Strategic Transformation¹² will work in partnership with, and as a member of, the YDLT to deliver the vision in a timely and effective way. They will be supported by a small dedicated team but will primarily work in a 'project team structure', drawing together individual workstreams into a coherent plan.
39. We will change the organisation and culture of the diocesan support structures to be more capable of delivering transformational change: a greater emphasis on team work, clear accountability for delivery and much clearer prioritising of communication and plans which affect parishes and deaneries.

¹¹ See section 5b Funding the Strategy

¹² Funded by the national church through Strategic Capacity Funding

3 Reimagine Mission and Ministry

3a Plans for delivering reimagined mission and ministry

Overview

1. Our ministry and mission models today are creaking at the seams:
 - a. Churches are declining in numbers of active participants – our current models of ministry appear unable, on the whole, to stem that decline
 - b. Increasing pressure is being placed on a smaller number of oversight ministers to ‘keep the show on the road’ – few appear able/equipped to break the cycle of decline
 - c. Fewer and older lay officers, increasingly struggling with the daily tasks of maintaining the legal and physical infrastructure of the parish structure and so increasing the weight of these tasks on clergy
 - d. The current models of ministry are financially unsustainable unless we see significant growth
 - e. There is a growing willingness in many places to embrace new forms of ministry, in particular ministry by the people for the people
 - f. Deaneries are increasingly being seen as places of encouragement and enabling but DLTs vary in their capability and capacity to support developing ministry
2. A re-shaped diocesan Mission and Ministry team has been created. Its aim is to enable churches to engage in God’s mission to the whole of life and to ensure that the Diocese has the right kinds of lay and ordained ministries to enable churches to serve God’s mission.
3. A new culture of collaboration across diocesan departments, drawing in key enablers from deaneries and parishes, is being established. This expanded team resources deaneries, parishes, chaplaincies and new worshipping communities in these seven ways, which are deeply inter-connected:
 - a. Deepening discipleship in everyday life and becoming more Christ-like;
 - b. Growing healthy, safe and welcoming churches which in turn grow missionary disciples within a church where a mixed ecology becomes the norm;
 - c. Reaching those we currently don’t reach, building upon Multiply (work reaching 20-40s) and Mustard Seed (work in our most deprived communities);
 - d. Widening our vision for renewed lay and ordained ministries which will enable churches to serve that mission;
 - e. Developing lifelong formation programmes to sustain those ministries;
 - f. Engaging with work which enables us as a church to grow younger as we work with children, young people and families;
 - g. Engaging with work which enables us as a church to grow more diverse.

We will

4. Change our culture to be a Diocese:
 - a. where the whole people of God join in the whole mission of God to the whole of life
 - b. which enables our parishes, chaplaincies and new worshipping communities to be growing, healthy, outward-facing communities of missionary disciples
 - c. which treasure seeks the gifts of the whole people of God and especially those of lay ministers based on partnership and mutuality between lay people and clergy
 - d. where lifelong learning is the expectation for all lay and ordained ministers because it lies at the heart of being a disciple

- e. where the ways of being church and doing mission which are exemplified by the Multiply and Mustard Seed programmes naturally enrich and enliven the missional life of the Diocese
 - f. which seeks to build flourishing communities in its schools, parishes and homes where every child, young person and those who care for them have a transforming encounter with the Christian faith and the person of Jesus Christ
 - g. which is a sign of a welcoming and multi-ethnic kingdom of God and a body which witnesses against the structural, communal and personal sin which lies at the heart of all forms of discrimination and prejudice.
 - h. where people across the diocese – in parishes, deaneries, diocesan support, bishops and archdeacons - work together to deliver transformational change
 - i. which is flexible and agile in our responses; humble and receptive, willing to listen and to adapt
5. Become more Christ-like – renewing and developing discipleship pathways
- a. Mark 2023 as a season of discipleship in the Diocese of York, as part of which, launch a Diocesan wide “Rhythm of Life”, for all in parishes, schools, chaplaincies and new worshipping communities
 - b. Signpost a wide-ranging set of resources and pathways, especially digital ones, which will enable:
 - i. individuals to become more Christ-like through whole-life discipleship, and
 - ii. churches, through their lay and ordained leaders, to become intentional disciple-making communities where everyday faith is embedded in the life of each church
 - c. Deepen intergenerational discipleship in schools, churches and households through engagement with the ‘Growing Faith’ initiative
 - d. Ensure that as a Diocese we are visibly committed to living out the five marks of mission including how we live with difference and how we respond to the climate emergency
6. Grow healthy churches and revitalise parish ministry:
- a. Under the leadership of the Growing Healthy Churches Adviser:
 - i. develop a team of enablers, working across the Diocese, who will work directly with churches, benefices and deaneries to support healthy growth¹³.
 - ii. create an offer to deaneries/Ministry Units which co-ordinates and integrates advice and resources developed by other Diocesan Advisers
 - iii. develop and signpost wide-ranging resources for growing healthy churches eg: Marks of a Healthy Church, Leading your Church into Growth, Heartedge resources, Partnership for Missional Church, Germinate, learning from Multiply and Mustard seed.
 - b. identify the first cohort of 22-25 churches/benefices¹⁴ which are places where there is potential for ‘revitalization’ and where there is a strategic need to provide additional / focussed support. This list will arise, in the first instance, out of the deanery plans but the plans are subject to scrutiny and challenge to arrive at the final list for the first cohort. Support for this group may include
 - i. a programme of formational and missional development for a group of parishes / Ministry Unit, ie the development of a learning community across the diocese
 - ii. access to specialist support working with parish leadership teams
 - iii. access to mentoring / coaching for existing church leaders or those new in post

¹³ additional paid resource will also be required. External funding will be sought to enable this

¹⁴ A pilot group of 6 of these churches will be identified to help shape this offer, to begin January 2023

7. Widen our vision for renewed lay and ordained ministries to enable churches to serve God’s mission
 - a. Define and communicate a plan to renew lay ministries
 - i. in the light of composite deanery plans, agree realistic targets for the numbers of lay ministers which the Diocese of York will need – expected to be c. 50% increase over 10 years.
 - ii. build a robust discernment process for all lay ministries and create an initial formation programme which lays the foundations for lifelong learning
 - iii. develop and roll-out a radically re-shaped pattern for the formation of Licensed Lay Ministry, and a Deepening Discipleship programme which will help to form Authorised Lay Ministers (current aim to roll-out September 2023)
 - iv. value and affirm the existing RPA community whilst encouraging a move to further formation and renewed authorisation provided through ‘Deepening Discipleship’
 - b. Refresh and renew our approach to vocations and formation for ordained ministry, setting out an attractive and deliverable vision for a wide range of ordained ministry, attentive to:
 - i. a greater variety in the complexity and demands of different kinds of ordained ministry (local and oversight, stipendiary and self-supporting, interim ministry, chaplaincy etc)
 - ii. developing a mixed ecology church – traditional, new worshipping communities, hybrid digital
 - c. build a team of ‘vocation enablers’ to encourage and enable the identification and development of vocations in parishes and deaneries; and to walk with those in any discernment process.
 - d. establish and sustain an intentional lay community across the Diocese, supported by the appointment of a Young Adults Adviser¹⁵, with a focus on growing vocations amongst young people
8. Transform Lifelong Learning
 - a. reshape our current Continuing Ministerial Development policies into a programme of learning and formation for existing clergy and lay leaders which will support the implementation of the LCS culture change
 - b. encourage and enable all ministers to commit to becoming reflective practitioners; create appropriate learning communities, especially for those lay and ordained ministers who are working in revitalisation or pioneering contexts so that they can grow their leadership capacities
 - c. critically review all our learning programmes to ensure that there is an equal balance given to the contexts of learning, the ways in which people learn and to the content of learning, and allow the experiential styles of learning developed by Mustard Seed and Multiply to challenge and interrogate other styles of learning, eg apprenticeship, mentoring, coaching
 - d. develop a strategy for the support, encouragement and deployment of those who have PTO, including providing pastoral care for those in later retirement
 - e. develop a strategy for interim ministry including the identification, support and deployment for those called to this ministry
 - f. develop a Ministerial Development Review process for both lay and ordained ministers
9. Continue the work of Multiply and Mustard Seed in our goal to ‘reach people we currently don’t’
 - a. sustain and develop the current work of the Multiply full-time ministers, seeking ways to encourage the ‘ripple effect’ across deaneries, and, working with the Growing Healthy Churches team, develop the work of the Multiply lay ministry growth fund; develop thinking and plans for what the future might look like for existing Multiply communities at the end of the project period
 - b. sustain and build upon the Mustard Seed programme both in local mission work and in building missional communities; communicate the learning about asset based community mission which

¹⁵ See also 10: ‘Growing Younger’ below

underpins the work of Mustard Seed and how this might become central to the way mission happens across the diocese

- c. develop a new strategy ('Reach 2'), building on Multiply and Mustard Seed learning, to invest in new ways of being church and/or new ways of reaching people we currently don't.

10. Growing Younger

- a. develop the vision of the Children and Youth Work sub-committee of the DBE to grow faith amongst children, young people and families. Develop a plan which fits with other priorities within the LCS vision, responsive to the requests for help from deaneries to support work with children and young people and managed alongside the other core elements of the Reimagining Mission and Ministry. The plan may involve employment of some externally-funded deanery-based children and youth workers focused where the most realistic growth can be achieved.
- b. appoint a Youth and Young Adult Adviser for 1 year to develop a strategy for students and young adults¹⁶ and to explore the future direction of this work.

11. Growing more diverse

- a. Identify a person / team whose work and ministry it is to champion Equality, Diversity and Inclusion and who makes partnership links with agencies, communities and individuals working across the Diocese
- b. implement an Anti-Racism Charter with actions covering all areas of Living Christ's Story but with a particular focus on representation and participation; on recruitment; on monuments, slavery and heritage; lifelong learning, vocations and raising awareness
- c. To make much more visible in every part of our life as a Diocese
 - i. the continuing inequalities of power through which the abuse and denigration of others is allowed to thrive
 - ii. the developing links to the World Church
 - iii. our commitment to the differently abled
 - iv. our engagement with LGBTQI communities and disciples

¹⁶ Externally funded

3b Planned numbers for parochial clergy and lay ministers

Overview

1. The current economic model of the diocese is unsustainable:
 - a. Ongoing structural deficits approaching £2m pa at a DBF level and growing
 - b. Increasing pressure on a diminishing number of regular givers to fund current diocesan structures
2. Up until this point, these deficits have been managed implicitly through reduction in parochial posts when suitable vacancies arise, and through the providential increase in investment gains and increase in vacancy rates in parish and diocesan office posts.
3. We need to agree an explicit ministry plan over a 10 year time horizon which is financially sustainable from (at least) year 10 and which makes reasonable assumptions about growth in FWO as the primary source of funding for ministry and support structures. It is recognised that this will require investment of reserves in each year in which there is a deficit budget.
4. The ministry plan will include the following elements:
 - a. 'Stipendiary parish posts' will include a number of 'revitalised parish posts', ie strategic interventions in key churches which require targeted support to become missionally and financially sustainable
 - b. An increasingly flexible approach to curacies both in terms of length and financial support
 - c. A continuation of Multiply new worshipping communities until the funding expires, and then a robust plan to transition to a financially sustainable model of ministry
 - d. Increased numbers of House for Duty posts for parish clergy and curates
 - e. The use of Interim Ministry as a means of providing ministry which enables the wider plan to be fulfilled
 - f. A large increase in the number of both lay and ordained self-supporting ministers
 - g. To be considered for future iterations of the plan, the potential for salaried posts paid for by external funding and deployed on the basis of need across the diocese, eg lay pioneers, youth workers, Multiply Growth Fund appointments, Mustard Seed Stepping Up graduates etc.

We will

5. Develop a ministry plan over a 10 year period, split into two 5 year periods. The strategy will be reviewed in Year 5 (2026) and the model adapted in light of progress toward the 10 year goal (from 2021) of financial and missional sustainability.
6. Show two models are presented for comparison:
 - a. a Revitalised Growth Strategy, and
 - b. the 'carry on as we are' option (ie steady, attritional reduction in stipendiary ministry to close the current and anticipated budget gap within a 10 year timeframe)

7. Summary table:

	Current (FTE)	Revitalised (FTE)		Carry on as we are (FTE)	
		2021	2026	2031	2026
End of Year					
FWO target / outcome	-13%	11% + inflat'n (24%)	Inflat'n from 2026	0%	0%

1. Continuing Parish posts	164.1	128	113	104	97
2. Revitalised posts	0	25	40	8	8
3. Curates	25	14	14	14	12
4. Total posts paid by DBF	189.1	167	167	126	117

5. Total HfD	24	32	32	45	45
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6. Self Supporting Ordained	378	430	500	409	429
7. Self Supporting Lay	511	631	800	575	625

8. Ext'l funded pioneer posts	11	tbd	tbd		
9. LSMs (eg PFR ¹⁷)	1	tbd	tbd		

10. Total in ministry	1114.1	1,260+	1,499 +	1,155	1,216
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**Cost of maintaining
deficit budgets over 5 years**

£7.7m¹⁸

Notes to the table:

Lines 6&7: These are intended to illustrate the realistic 'targets' we might set ourselves; to be confirmed by the vocations / start of ministry / Lay Ministries Review work

Line 8: The unquantified (as yet) opportunity to create 'Reach 2' posts (ie pioneering posts to complement incumbent posts in revitalising parishes) to be determined by the strategy work currently underway and in negotiation with funding partners

Line 9: additional incumbent-status posts which may be funded through the national church's 'People and Partnerships Funding' stream or through other initiatives designed to increase the number of incumbent-status posts

¹⁷ Posts of first responsibility – one bid for and agreed so far (in post by end of 22 not 21); expecting a further tranche next year

¹⁸ Initial estimate – more detailed modelling required

4 Transforming Finances and Structures

4a Reducing the 'institutional load' on parishes

Overview

1. The LCS Parish Consultation identified a number of 'non-ministry' areas for which help was required:
 - a. development of shared deanery roles in some officer areas to enable parish-parish support (eg Treasurer, Safeguarding etc)
 - b. grant-finding
 - c. church buildings maintenance
 - d. good practice in supporting collaboration between parishes
 - e. community use of buildings
 - f. simpler parish structures
2. A consistent feature of the consultation was the need for improved communication and the effective use of the diocesan website.
3. Another key area where parishes are asking for support is in ensuring that our church buildings are fit for mission, financially and practically sustainable:
 - a. In 2021, PCCs spent £3.8m on repairs and further £580k on new build; in 2019 the repair bill was £4.6m, an average of c£80k per building.
 - b. 80% of our 579 church buildings are listed, over 50% are Grade I or Grade II*.
 - c. The impact of achieving Carbon Net Zero has not yet been quantified. Larger and busier churches will require more significant interventions. In many cases, churches which are less frequently used are already low contributors to the carbon load.
4. We have not always maximised the use of volunteers in supporting some of our central functions, eg training, advisers etc. There are significant gifts and expertise amongst our clergy and lay people which might be more effectively used eg theological educators, leadership gifts, and interest in buildings, inclusion etc. We do not have a strong culture of managing volunteers at a diocesan or deanery level.
5. The deanery was identified as having a significant part to play in enabling better sharing of information and resources. The development of 'deanery champions' as a key resource to enable peer support locally may be part of the solution.
6. The work of the national church's Transforming Effectiveness workstream is noted. Additional resource may be required to ensure that the diocese can take maximum advantage of the development work being done in this area.
7. Financing diocesan support is a source of considerable concern (and misunderstanding) for a number of parishes. Whilst many aspects of mission and ministry require the efficient support given by the diocese's central teams, PCCs are understandably concerned to know that best value is being achieved.
8. The responsibilities of the DBF have undergone significant change over the last 10-20 years. As a result, there is a lack of clarity around the role of the Archdeacons and Bishops' offices and how they work with diocesan officers which needs to be resolved.

We will :

9. Commit ourselves to a diocesan process of simplification. Identify an external consultant (funded through SCF) who will undertake a review of the functions of all central teams, diocesan committees and episcopal/archidiaconal offices to identify ways to simplify how we serve and communicate with parishes, and ensure cost effectiveness. Review the roles of Diocesan Advisers to ensure they are focussed on strategic priorities and to maximise networked working across the Diocesan Office.
10. Initiate a review of key processes which currently span the areas of responsibility of diocesan officers and archdeacons' / bishops' offices¹⁹. Have a co-ordinated plan to simplify diocesan processes and improve communication with clergy, parishes and church wardens. The review will include:
 - a. Vacancy processes
 - b. Parish and deanery reorganisation
 - c. Church closure
 - d. Faculty processes
 - e. Ecumenical issues
 - f. Clergy housing
11. Appoint a Digital Transformation Leader²⁰ to enable the replacement of the technical infrastructure of the website but also to transform the culture of the Diocese - diocesan support staff, deaneries and parishes - so that we live effortlessly in a digital hybrid world. Clarify the purpose and 'customer' of our digital communications. Design and implement a new website and communication culture to ensure advice and information is:
 - a. Up to date
 - b. 'customer oriented' ie simple to understand and easy to use from the end-users perspective
 - c. capable of helping us to simplify processes
12. Continue to develop our capability and capacity in supporting the practical aspects of church life:
 - a. Encourage the sharing of good practice through the creation of Deanery networks / information exchanges, and through the interventions of Diocesan Advisers
 - b. Communicate through the improved website and through training what is already available, maximising the use of national resources, and effectively sign-posting key resources
 - c. Develop robust volunteer management culture and systems to maximise gifts and time offered
13. Begin work on key elements of support identified in the consultations / deanery plans:
 - a. Simplification of parochial structures, including the promotion of Joint PCCs and the trial arrangements of PCCs informally meeting together
 - b. Support for PCC Officers & Parish Life, to include
 - i. A new training programme (including webinars) for Wardens, Treasurers and PCC Secretaries
 - ii. support for clergy and PCCs to manage during Treasurer and Warden vacancies
 - iii. Strengthen links between DFAs & Finance Team to provide targeted and timely advice for Treasurers, and to maximise the sharing of knowledge and resources in deaneries

¹⁹ A number of the projects identified in this section will require focused resource which will either have to be found by reshaping the roles of current staff or creating new (perhaps temporary) roles.

²⁰ funded by Strategic Capacity Funding for 3 years

14. In concert with project plans for achieving Carbon Net Zero²¹, develop a strategy for ‘Sustainable Church Buildings’ to include
 - a. Maximising the sharing of expertise in the maintenance of church buildings
 - b. Support each PCC in identifying a plan for their church building(s) to enable it to be missionally, financially and environmentally sustainable, bearing in mind the missional priorities of the church community and our growing understanding of life in a hybrid/digital world. Plans might include:
 - i. supporting the development of community use within church buildings
 - ii. equipping the church building to reflect the needs of a hybrid/digital world, for the benefit of the worshipping community and the wider needs of the local community
 - iii. support the creation of Festival Churches, Friends groups and other ways in which the stewardship of local churches might be more equitably shared with the local community
 - c. Support the finding of Grant Funding, to include highlighting the existing information available
 - d. Support those PCCs who want to consider the closure of a church building
 - e. Review the support given for church buildings development and the work of the DAC to identify how PCCs could be better and more proactively supported, in collaboration with the Growing Healthy Churches team. Additional support will almost certainly be required in this key area²².
15. Initiate a project to look at maximising the effectiveness of managing our clergy housing / property portfolio, currently c.£2.2m of operational spend (15% of total DBF spend) with a capital value of £46m (book value – estimated market value likely to be c£86m). Linked to the Carbon Net Zero²³ work but to also include:
 - a. adapting our portfolio in the light of shifts toward a greater number of House for Duty and SSM posts. We will probably need fewer houses overall and HfD may need to be smaller and easier to maintain.
 - b. adapting both our portfolio and vacancy management to respond to:
 - i. more flexible approach to stipendiary curacies – some curates may only be in IME2 post for 12-18 months going forward, some for 4 years
 - ii. potentially, more interim ministers and therefore either shorter incumbent-status posts and/or the flexibility to have housing which could serve consecutive parochial posts
 - c. demonstrating cost effectiveness of property management and aim to reduce costs overall, in line with reductions in parochial posts
 - d. optimising the use of the capital tied up in the property portfolio

²¹ See section 4b Carbon Net Zero

²² To be funded externally

²³ See section 4b Carbon Net Zero

4b Carbon Net Zero

Overview

1. The climate crisis has been identified as one of the – if not *the* – major challenges facing the world over the next decade. The Church needs to play an active leadership role in addressing this issue.
2. In July 2022, General Synod affirmed its commitment to achieving the challenging goals set by the February Synod by endorsing the ‘Routemap to Net Zero Carbon by 2030’. Triennium Funding of £190m has been provided to help do more work on this.
3. The national church has already been addressing this issue in various ways, including consulting on changes to Faculty Legislation to encourage changes to church buildings which will reduce carbon emissions but also to make it more difficult to undertake some changes which would not decrease carbon emissions.
4. The diocese has appointed a part-time Diocesan Environment Officer to be an Ambassador for ‘green’ initiatives in the diocese. A Diocesan Environment Steering Committee has been formed to support this work.
5. In addition to championing efforts to achieve Carbon Net Zero, the DEO has emphasised the missional importance of engaging with the green agenda. In particular, green issues are of special importance to younger people so it is important that the ‘Growing Younger’ work and the development of green mission initiatives are closely aligned.
6. The fifth mark of mission was ranked 4 / 5 by parishes in terms of importance in the LCS Consultation. This is not to say that it is not thought to be important but that it is seen as less of a priority compared to ‘tending’, ‘telling’ and ‘teaching’.
7. Initial work has identified 2 key areas where developing a realistic and affordable plan for transformational change which delivers CNZ30 alongside the other missional and financial goals of Living Christ’s Story will be essential²⁴:
 - a. Upgrading the clergy housing portfolio
 - b. Ensuring that our church buildings are fit for mission, and financially and practically sustainable.

We will

8. Appoint a project manager to steer the development and implementation of CNZ30 plans:
 - a. Build on the excellent communications work so far to develop a clear action plan for:
 - i. Developing green mission initiatives (as part of the Growing Healthy Churches work)
 - ii. Encouraging relatively simple culture changes to church and church school²⁵ life which will start to deliver positive environmental impacts
 - b. Develop a more extensive project plan for major change to church buildings and other diocesan properties, including clergy housing. Consider the need for additional resource to develop:
 - i. An integrated strategy for clergy housing over the next 10 years, including CNZ30 but also incorporating impacts from mission and ministry plans
 - ii. An integrated strategy for church buildings, including CNZ30 but also incorporating plans for supporting PCCs in making church buildings sustainable

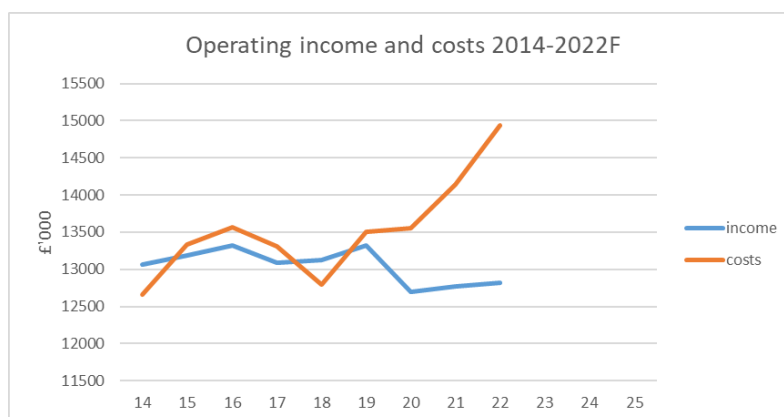
²⁴ Although schools are also a key area where work will need to be done, the DBE’s responsibility is only for VA schools (11 in the diocese) and this work is already underway in those schools. The DBE will continue to have an influencing role in all schools akin to our ‘influencing’ mission work through churches

²⁵ There has already been a significant allocation of UST money to start this process

4c Financial sustainability and Free Will Offer

Overview

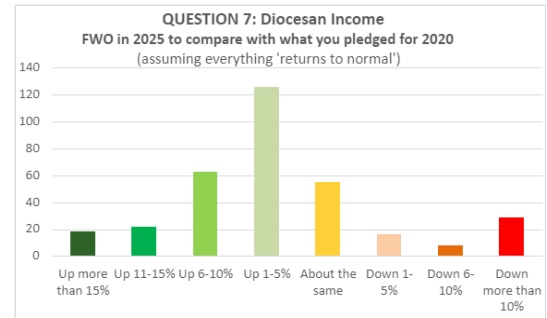
1. This diocese, in common with most other dioceses, has been running a deficit budget for a number of years. However a mixture of below the line items and unexpected cost savings have resulted in our reported profit/loss for each year until 2019 being positive.



2. Free Will Offer (and its predecessor Parish Share), which makes up around 2/3 of diocesan income, has remained flat in absolute terms, declined in real terms, over the past 10 years. Inflation has reduced the value of this income by £1.8m, or 22%, over that period. The recent increases in the rate of inflation will exacerbate this issue.
3. This situation is now understood by most people to be unsustainable.
4. The Generous Giving team appointed in 2018 was tasked with achieving:
 - a. an increase in giving in the region of £2 per week per regular giver (c.22%)
 - b. an increase in the proportion of givers who give regularly and via electronic means, including the introduction of the new 'Parish Giving Scheme'
 - c. increasing the number of givers per parish by at least 1 per parish pa
 - d. encouraging legacy giving
5. Progress towards these goals has been slower than hoped for in part because of COVID and turnover in the GG team. A revised Generous Giving plan has been developed in line with the national Giving Strategy work and priorities. We will be continuing with 2 Generous Giving officers for the time being, one to focus on developing a culture of generosity and the other to focus on promoting the mechanisms and practicalities of giving.
6. One of the factors inhibiting the growth in giving is the decline in attendance – increasing giving per head is only one half of the equation.
7. The LCS Deanery and Parish Consultations provided deaneries and parishes with unprecedented amounts of financial information, diocesan-wide and local. This included an analysis for each deanery and each ministry unit of their total Cost of Ministry, split down by direct costs, support for future ministry, and pooled costs.
8. Overall the response to this level of information has been positive, some clergy reporting that it enabled the kind of strategic discussion which had not been possible before. However there are also reports of parishes disengaging from the process and continuing to assert that they are unaware of the financial

issues facing the diocese or unconvinced by the information provided. This reinforces our perception of the variability in engagement and expectation of response to the strategy across the diocese.

9. The LCS Parish consultation (undertaken before the current economic issues) asked parishes to forecast likely FWO giving in 2025 – see graph right:



10. The LCS data gives some grounds for optimism but

reinforces our perception that there will be some parishes which grow in the future and some which decline.

11. The deanery planning parameters were explicit in setting out aspirations for 2026 and 2031:

- a. Ministry Units which do not yet cover the direct costs of ministry (after LICF²⁶) should work to do so by 2026, and
- b. Ministry Units which, before COVID, were covering their direct costs of ministry to get back to pre-COVID levels and continue to grow FWO by inflation
- c. All Ministry Units to aspire to cover direct costs of ministry (after LICF) and make a reasonable contribution to the shared costs of the diocese by 2031.

12. On the whole, the clarity of these parameters has been well received. Deanery plans have been realistic about the capacity of some parishes to grow and have made reductions in deployment as a result. They have also affirmed their goal to achieve the planning parameters in terms of FWO growth.

13. There is some evidence to suggest that a number of parishes would welcome the opportunity to grow local income for local ministry initiatives rather than contribute to a strategy which is based on a growing Common Fund.

We will

14. Work together to create a 'covenant culture' in respect of finances across the diocese — between Ministry Units and the diocese as a whole, and MU-to-MU, on the principles that:

- a. we all recognise and accept, in a spirit of generosity and maturity, the responsibility that comes with our FWO system
- b. there is honesty and openness about finances, in and between every part of the diocesan family, and a recognition of financial realities — we cannot continue doing what we have been doing, spending beyond our means
- c. we act on the basis that financial sustainability will only come both from growing the numbers of people engaged in our church life, and from increasing the amount and regularity of giving per person
- d. we agree that investment in mission and ministry is an essential priority for us all, even when it means other desirable projects being deferred
- e. we are committed to being a diocese where the stronger support the weaker, and where we recognise and honour the good work being done by others — especially where it is in a different setting or style

15. Covenant together that:

- a. YDLT, the DBF and all who are concerned with the diocese's shared and central finances make the most effective use of the resources we have in common, focused on growth rather than decline

²⁶ See Section 4d: Supporting our poorest communities financially

- b. by the end of 2023, all Ministry Units strive to get back to at least the level of FWO they were able to offer in 2019, and ideally increase the figure in line with inflation
 - c. by 2026, every Ministry Unit makes the fullest effort to give FWO equivalent to at least the direct cost of ministry, taking into account the support they each receive from Lowest Income Community Funding (LICF)
 - d. by 2031, every Ministry Unit increases that figure to the equivalent of the direct cost of ministry plus a share of the pooled costs of the diocese
 - e. every Ministry Unit that is receiving LICF support completes annual returns for mission and finance, and shares with their DLT, bishop and archdeacon how they are putting their plans for mission and growth into effect in their challenging contexts
 - f. as a diocesan family, we encourage and support Ministry Units where every effort is being made for church life to flourish, but where exceptional circumstances mean that there will be a longer timescale to fulfil the mutual expectations of the level of FWO; and those MUs accept the support of the Growing Healthy Churches and Generous Giving teams
 - g. targeted support in the shape of 'Revitalise' is offered to a small number of Ministry Units where clergy new in post seek to lead the MU towards a significantly different position in missional and financial sustainability
16. Continue to review the ministry strategy and its continued reliance on a growing Common Fund in the light of FWO levels over the next 3 years, with a detailed review of the strategy in 2025/26.

4d Supporting our poorest communities financially

Overview

1. The Diocese currently receives £1.7m in Lowest Income Communities Funding. This figure will fall to £1.39m by 2026 when the transition funding runs out.
2. In 2019, 53/440 (12%) of our parishes were in the most deprived 10% parishes nationwide. 29/440 (7%) were in the second decile.
3. The gap between the FWO paid by our 10% most deprived and their direct costs of ministry was £1.195m in 2019, roughly equal to the LICF money excluding the transition element (£1.173m).
4. For the deanery planning exercise, LICF was allocated notionally to Ministry Units on a per capita basis, ie proportionate to the number of people living in each Ministry Unit in the 20% most deprived group. Only the core LICF monies were allocated; transition funding was excluded from the notional allocation. This approach appears to have been accepted by parishes and deaneries.

We will

5. Continue to notionally allocate LICF funding such that:
 - a. funding is allocated to parishes in the most deprived 20% (Deciles 1&2)
 - b. there will be no distinction between parishes in Decile 1 and Decile 2 ie one common method of allocation across both deciles
 - c. the allocation method will place a cap on allocation such that LICF money will not be allocated to parishes beyond that required to meet the total Cost of Ministry of the Ministry Unit (ie if FWO exceeds total COM, no allocation will be made to that MU), thus enabling more money to be allocated to those in most need of support
 - d. the allocation method will reflect the population size in the most deprived 20% in each MU according to the LSOA statistics, which give an analysis at the smallest geographical level
 - e. funding is allocated to each parish with a proportion of its population in deciles 1 & 2, regardless of deanery, but subject to a minimum population of 500 people in the most deprived categories (ie Ministry Units with fewer than 500 people living in LSOAs receive no LICF)

5 Capacity to Deliver

5a Strategy development, implementation programme and reporting framework

Overview

1. The LCS strategy is a wide-ranging and all-encompassing statement of the Vision, aims and objectives of the Diocese of York over the next 10 years. It is intended to be a 'root and branch' transformation of our mission, ministry, finances and structures. The breadth, depth and complexity of the undertaking is such that great discipline will be needed by the leadership structures, diocesan officers, deaneries and parishes to work together to accomplish our task. **Only those activities outlined in the strategy, plus mandatory and essential functions, will be undertaken, meaning that some things that we do today will need to stop and resources – people, money, communication 'bandwith' – will need to be refocused onto what we have collectively agreed are strategic imperatives.**
2. £853,111 of Strategic Capacity Funding has already been agreed by the national church over a period of 3 years. This money will fund the Director for Strategic Transformation, a Programme Officer, Data Support, the Digital Transformation Leader and the Mission and Ministry Strategy Enabler and Discipleship Adviser. In addition it will fund the external consultancy to undertake a Diocesan Support Review and some elements of deanery support.
3. This Diocesan Plan, agreed by YDLT, Archbishop's Council and Synod, will be the foundational document which informs the work of the Director for Strategic Transformation and the strategic programme of work we are undertaking.

We will

4. Develop an implementation programme, led and managed by the Director for Strategic Transformation, including reporting framework (frequency and content), which describes the timing, outcomes and integration of major workstreams:
 - a. Deanery plans
 - b. Reimagining Mission and Ministry (Becoming, Reaching and Growing goals)
 - c. Digital Transformation
 - d. Carbon Net Zero
 - e. Diocesan Support Review
5. Develop a diocesan culture which facilitates the effective management of change
6. Ensure good governance through regular reporting to Archbishop's Council and Diocesan Synod As detailed plans emerge, bring to Synod for agreement.
7. Bid for further funding from the national church and other key funders (eg Benefact Trust) . Additional diocesan support roles which could be funded by such a bid, identified in this plan, include:
 - a. Additional resource required for 'Reimagining Mission and Ministry':
 - i. Continuing Ministerial Development / equipping for leadership for lay and ordained leaders
 - ii. additional support for 'Revitalising Parishes / Growing Healthy Churches'
 - iii. a 'Youth and Young Adults Adviser'
 - iv. in due course, additional project and/or pioneer posts to support an expansion of our 'Reach' goals ('Reach 2')

- b. Project management support for:
 - i. Carbon Net Zero
 - ii. Developing a strategy and implementation plan for maximising the cost effectiveness of our clergy housing / property portfolio
 - iii. Developing a strategy and implementation plan for 'Sustainable Church Buildings'
 - iv. 'Simpler Parish' support for clergy, Wardens and other church officer roles
- c. Administrative and other support required to enable Lay and Area Deans, and Deanery Leadership Teams, to implement their deanery plans. Plans could include:
 - i. Administrative support for Area Deans to support their parish ministry
 - ii. Administrative support for deanery initiatives
 - iii. Creation of half-time / full-time area or lay deans in some deaneries where there is a significant transformational challenge
 - iv. The provision of additional capacity funding to support one or more deanery 'Transformation' bids (eg Hull, Middlesbrough) – early indications are that this would be supported by our partner in the Diocesan Support, Vision and Strategy team (formerly the SDU)

5b Funding the Strategy

Overview

1. The Diocese is in a relatively strong position compared to some dioceses to fund a significant proportion of the ambitious strategic vision to which we aspire through releasing capital:
 - a. £9m in readily realisable reserves at end 2021²⁷, £3.5m above prudent reserves level
 - b. Projected increase in the Pastoral account of up to £4m over the next 3 years through the sale of houses surplus to ministry requirement
 - c. Higher than average property prices across much of the diocese if further properties become surplus through reducing stipendiary clergy numbers.
2. The DBF's total balance sheet (including endowment funds and the book value of clergy housing) amounts to around £110m. Whilst the readily realisable reserves are less than 10% of this, where housing becomes surplus to requirement for ministry use, it may be sold to fund the strategy²⁸. In addition, it may be possible to release some of the increase in the underlying value of the £44m Stipends Capital endowment fund by utilising Total Return (see 4 below).
3. Investment returns on the proportion of the assets which are not in use for ministry have historically been above market average which gives us confidence in our investment managers. However, as we spend the reserves which are not restricted / endowed, investment income will fall. It is noted that the market is increasingly volatile due to external factors so over-reliance on investment income based on previous performance would carry significant risk.
4. If we require additional income from reserves in the short term, we have the option of adopting a Total Return²⁹ approach to endowed funds. Currently only the investment income from these funds is released into the General Fund. However, we could also agree to release capital gains on the value of the investments as well. This increases the amount of money available to be spent each year but would have a detrimental effect on the size of the endowment fund and thereby would reduce the level of potential future investment income streams.
5. There are a number of factors which could potentially have a significant negative impact on our financial position across the diocese:
 - a. increases in the short term in inflation to c10% plus a long-run inflation rate of 2% will significantly impact costs and are unlikely to be matched in giving levels
 - b. the continued impact of COVID and rising fuel costs on congregations and parish funds
 - c. the as yet unquantified impact of Carbon Net Zero commitments
 - d. the potential that more of our fragile church communities will not be able to survive such that the DBF becomes liable for the care and maintenance of a number of listed church buildings
6. The Church Commissioners are committed to funding strategic transformation across the church. £1.2bn has been agreed to be spent on a range of activities (including business as usual activities such as the funding of bishops and cathedrals) between 2022 – 2025, with the same level of expenditure in each of the subsequent 2 triennia (£3.6bn across 9 years).
7. The way that national funding is to be allocated is changing. Instead of a focus on large-scale Transformation bids, the new process is to be built on strong working relationships between the national strategy team and dioceses. Money will be allocated on a more project-by-project basis but

²⁷ Budget document which went to Synod, Nov 21

²⁸ With appropriate permissions

²⁹ A total return approach allows the charity to use any increase in the value of its investment as income, provided it allows the permanent endowment, or 'relevant fund', to grow in line with inflation over the long term to protect the needs of future beneficiaries. <https://www.brewin.co.uk/insights/total-return-the-new-rules-the-pros-and-the-cons>.

there is a strong emphasis that those projects will need to be demonstrably linked to a coherent diocesan vision and strategy. In other words, we will need to have a clear picture of what we are aiming to achieve at a high level and money will be available to bid for to do the detailed work on elements of the big picture as required. We believe that we are viewed positively by our national colleagues – the hard work we have put into having clear strategy is appreciated. It will be important not to lose that momentum.

8. Other strategic interventions from the national church may also be accessible by the diocese:
 - a. support for Carbon Net Zero strategies
 - b. support for sustainable church buildings projects (CBC)
 - c. strategic support for posts of first responsibility (PFR), curates and those in IME1
9. The diocese has a good record of applying for and receiving strategic support:
 - a. Multiply and Mustard Seed, both SDF funded
 - b. Giving Adviser Funding
 - c. Sustainability Funding
 - d. Strategic Capacity Funding
 - e. PFR funding – one post funded in this first year of funding
10. There may be other sources of funding which might be available for specific projects:
 - a. Benefact Trust³⁰ (previously Allchurches Trust)
 - b. private individuals

We will

11. Continue to inspire the generosity of parishes by showing through clear and regular communication that we are good stewards of diocesan funds:
 - a. investing in an ambitious vision for growth
 - b. supportive of revitalised parish mission and ministry
 - c. providing cost effective support for the work of the wider diocese
12. Not hold on to reserves solely in order to maximise future investment revenues with which to fund day-to-day activities in 10 or 20 years' time. Instead we will spend the reserves we have readily available to fund a strategy for missional growth.
13. Monitor the need to free more reserves³¹ to invest in the strategy through
 - a. the sale of surplus-to-requirement houses
 - b. moving to a Total Return Approach
14. Continue to work with colleagues in the national church to identify sources of funding for key initiatives.
15. Continue to seek other sources of funding, working with strategic partners in big and small ways:
 - a. Collaborate with leaders in the local Methodist Districts to identify places where partnerships in mission and ministry might be mutually beneficial
 - b. Consider engaging with specialist fundraisers to identify possibilities for other sources of funding which are consistent with our values and vision

³⁰ which owns Ecclesiastical UK insurers

³¹ More information on the source and uses of diocesan reserves is available at [lcs-consultations-2-resourcing-our-diocese.pdf \(dioceseofyork.org.uk\)](https://www.dioceseofyork.org.uk/lcs-consultations-2-resourcing-our-diocese.pdf)

5c Supporting the implementation of Deanery plans

Overview

1. Deanery engagement will be at the heart of our delivery of the strategy. High quality Deanery plans plus building the capacity and capability to implement them will be critical to success.
2. Each deanery is unique – different contexts and varying personalities, gifts and leadership capability. The planning process was designed to encourage careful contextual thinking but also boldness, encouraged through appropriate challenge, to avoid being held captive to any unhelpful assumptions and approaches which currently exist.
3. A strong planning framework with clear guidance was given to ensure appropriate stretch but also demonstrable fairness and alignment with the agreed Diocesan strategy. Bishops & Archdeacons have worked with DLTs throughout this process – ‘we are in this together’
4. The Developing our Deaneries group (DDG) has been consulted to determine what might be offered to support deaneries going forward. This confirmed the value of the developing learning community for Area and Lay Deans as well as affirming the importance of practical support, eg deanery administration. The DDG has been an important contributor to seeing the possibilities for growing leadership capacity at deanery level. Its future is now ripe for being considered.
5. Each deanery has created a plan for growth, the majority of which include, amongst other things:
 - a. An assessment of the current situation in the deanery
 - b. Plans for **‘Becoming more like Christ’** appropriate to their context, to include opportunities to:
 - i. build Christian community
 - ii. grow vocations
 - iii. deepen theological reflection and learning, (which may draw on learning from Mustard Seed)
 - c. Deployment plans for stipendiary and HfD ministry based on clear guidelines given to them by Bishops and Archdeacons
 - d. Options (where there is potential) for investment in some or all of the following areas:
 - i. revitalising existing churches
 - ii. planting new worshipping communities
 - iii. working with Children and Young People
 - iv. chaplaincy
 - v. shared deanery resource (may also be achieved through releasing local resources)
6. Deanery plans currently vary enormously, some being ready to begin implementation and others which will need more work with bishops and archdeacons to finalise deployment and key areas to address. Some may require dedicated support to help scope a ‘Transformation’ project

We will:

7. Begin to engage with deaneries according to the progress made to date
 - a. Bishops and archdeacons finalise the plans with the DLTs and progress the making of appointments, including working with MUs to identify and agree those posts which will be offered participation in the ‘Revitalise’ stream of work
 - b. ‘Reimagining Mission and Ministry’ team begin to engage as appropriate:
 - i. Develop lay vocations /training offer; identify and progress ordained ministry vocations
 - ii. Growing Healthy Churches
 - iii. Generous Giving
 - iv. Church Buildings

8. Develop a strategy to improve the strategic capacity and capability of Deanery Leadership Teams. Consider the future of the
9. Developing Deaneries Group as a means of achieving this.
10. Ensure a significant degree of co-ordination through this stage of implementation, so that:
 - a. the central vision of Living Christ's Story is held and drives the strategy
 - b. there is a degree of consistency in approach across different deaneries, allowing for the importance of respecting each context
 - c. learning is shared amongst Bishops & Archdeacons; DLTs; and individual benefices and parishes
 - d. we make the most effective use of the limited resource in the Mission and Ministry team and other Diocesan Officers.

Appendix:

Glossary of terms and acronyms

CBC	Church Buildings Council
CNZ30	Carbon Net Zero (by) 2030 – goal agreed by General Synod
COM	Cost of Ministry - DCOM plus a share of pooled costs
Common Fund	The amount of money which flows through the Diocesan Board of Finance and from which is paid the stipends and pensions of ministers as well as paying for diocesan support services.
DAC	Diocesan Advisory Committee – advises on Faculties for church buildings
DBE	Diocesan Board of Education - now a statutory committee of the DBF
DBF	Diocesan Board of Finance
DDG	Developing Deaneries Group
DEO	Diocesan Environmental Officer
DFA	Deanery Financial Adviser
DLT	Deanery Leadership Team
FTE	Full Time Equivalent
FWO	Free Will Offer
GG	Generous Giving (team)
HFD	House for Duty
IME1	Initial Ministerial Education 1 – ordinands at college or on a course
IME2	Initial Ministerial Education 2 – curates
IT	Information Technology
LCS	Living Christ’s Story
LICF	Lowest Income Community Funding – from the national church
LSOA	Lower layer Super Output Area – used to be called ‘wards’ in terms of local government reporting structures
LSM	Locally Supported Minister – a post not funded through Common Fund
M&M	Mission and Ministry – usually refers to the team led by Ian McIntosh
MDR	Ministerial Development Review
MU	Ministry Unit – that group of parishes looked after by a single incumbent / Priest-in-charge
PCC	Parochial Church Council
PFR	Post of First Responsibility
SCF	Strategic Capacity Funding – first stage funding from the national church to enable strategies to be developed
SDF	Strategic Development Funding – funding for specific projects
SDU	Strategic Development Unit – now superseded by Diocesan Support, Strategy and Vision
SSM	Self-supporting Minister – usually refers to ordained ministers
UST	Uniform Statutory Trusts – enables the DBE to make a contribution to the capital costs of VA schools
VA	Voluntary Aided – church schools with the closest link to the diocese
YDLT	York Diocesan Leadership Team