

DIP Time-Limited Funding guidelines

Background

1. This paper contains the funding guidelines for the **Diocesan Investment Programme (DIP) Time-Limited Funding**.
2. The Diocesan Finance Review recommended that £100m should be available for this funding between 2026-34. The Archbishops' Council has allocated **£37m in 2026-28**. A further £63m has been indicated as being available from 2029-34.
3. This funding is part of a much wider investment in dioceses by the national Church, totalling c. £500m in 2026-28:
 1. **Lowest Income Communities Funding** - increased to £133m in 2026-28, this provides ongoing support by formula for the costs of ministry in low income communities
 2. **Diocesan Investment Programme** - £236m in 2026-28 for missional plans to deliver the bold outcomes of the Vision and Strategy
 3. **Formula-Based Time-Limited Funding** - a new fund worth £63m distributed to dioceses in 2026-28 on a formula basis to cover general costs.
 4. **National Giving Strategy** - support for diocesan giving advisors and wider support for stewardship.
 5. **Covering the costs of National Core functions** - a shift in 2026-28 has meant these costs are no longer borne by dioceses.
4. To complement these funding streams, the Diocesan Finance Review recommended *an increase in the Diocesan Investment Programme funding so that as dioceses bring forward their bids there is adequate funding available to address short term financial pressures and fund existing ministry costs whilst waiting for missional interventions to translate into improved financial health (with a commitment to transparent reporting on the use of DIP in this way). (GS 2380)*
5. The DIP Time-Limited Funding is a distinct sub-stream of funding within DIP; not a separate funding stream in its own right. The funding will be accessed as part of a DIP proposal. It is designed for time-limited support rather than long-term investment: providing dioceses with help to sustain ministry whilst their longer-term plans to develop missional health and financial sustainability bear fruit.
6. Some DIP funding was provided for that purpose in 2023-25 to dioceses which had developed diocesan-wide transformation programme and the availability of the 'DIP Time-Limited Funding' in 2026-28 provides an additional way to support this purpose.
7. The funding is **not** intended to provide more general financial support to dioceses – to help close their current gap between income and expenditure – where there is no long-term plan to develop the diocese's mission and financial health. Lowest Income Communities funding, and the formulaic Time-Limited funding, provide more general support to dioceses on the basis of their financial needs.
8. The funding is also **not** for supporting strategic capacity in dioceses, this continues to remain an option for a proposal from DIP funding.

Purpose of the DIP Time-Limited Funding

9. The purpose of the DIP Time-Limited Funding is to **provide short-term financial support to act as bridge funding to help deliver their strategic mission plans and achieve long-term financial sustainability**, in line with the Church of England's Vision and Strategy.
10. DIP funding operates within these principles:
 - **Relational & supportive** – Active partnership with diocesan and local church leaders, working together to enhance plans for sustainability.
 - **Transparent & honest** – Openness about decision-making processes, financial realities, and seeking the whole Church's good.
 - **Intentional** – Funding is linked to a plan setting out what change is anticipated and how it will be achieved.
 - **Empowering** – Those receiving funding are helped to build capacity so that they can be financially resilient.
 - **Evidence-based and realistic** – decisions about funding are based on high-quality evidence, with the understanding that those closest to the issues often know them best.
 - **Humility, recognising this is God's work** – Recognising success is dependent on God, excited and curious to learn what God will do, and trying to share our own skills with humility.
11. Funding is provided for dioceses' general budgets as part of a strategic plan for mission development and financial sustainability. This may take one of two forms:
 - Supporting specific posts in a range of parishes which are part of programmes to develop their mission and over time improve their financial sustainability. For example, covering the costs of clergy which are part of parish development programmes with an expectation they will grow and reach sustainability in a few years' time. Funding can supplement parish share in these roles which may have otherwise been cut.
 - Supporting dioceses' general costs as they work on a diocese-wide plan for mission development and financial sustainability. Dioceses may have mission plans which enable them to reach a sustainable position through growth in a number of years. Funding can support diocesan deficits as the diocese grows its income.

Eligibility

12. All dioceses submitting a DIP proposal in 2026-28 are eligible for funding.
13. In addition, the SMMIB will consider proposals from dioceses which are not eligible to apply for DIP funding in 2026-28, because they received funds for a substantial change programme in 2023-25, but did not request any short-term financial support. Any such proposals from a diocese must build on their existing plans and clearly demonstrate how their need for time-limited support will help their long-term mission and financial health.

14. It is expected that any diocese applying for funding will take an 'open book' approach to their finances with the national Church, within a supportive partnership which seeks to help the diocese develop its mission and financial sustainability.
15. Some dioceses who submitted DIP proposals for diocesan-wide transformation programmes in 2023-25 requested time-limited funding as part of their strategic financial plans. In making awards to these dioceses, the SMMIB left open how it would meet their request for funding from 2026 onwards and will now use the DIP Time-Limited Funding for that purpose.

Process for accessing funding

16. Funding will be distributed as part of DIP proposals. The process for accessing that funding can be found in the DIP funding guidelines. The only requirements for time-limited funding are around the strategic financial plan in the DIP proposal, there is no extra paperwork.
17. DIP proposals already include financial plans, and many of these proposals already meet the requirements for time-limited funding. These requirements are that the plan includes:
 - Plans to maximise investment performance, including the use of total return.
 - Plans to increase parish share payments, including help for parishes to maximise their assets and resources.
 - Assumptions about the growth or decline in the number of existing disciples, the growth of new disciples, and plans to increase giving.
 - Assumptions about the growth or decline in clergy numbers, and lay ministers.
 - (For those dioceses which receive it), how they will use their LInC funding.
 - Plans for the use of the other benefits which dioceses have received via the Diocesan Finance Review, including the time-limited formula funding.
 - A best estimate forecast of the diocese's financial sustainability if it receives its DIP investment and the Time-Limited Funding, and an illustration of the likely impact if the diocese did not receive the Time-Limited Funding.
18. The plan will therefore make clear why a diocese needs the quantum of Time-Limited Funding it requires alongside the DIP investment it is seeking for its missional plans. Many dioceses will have these sorts of plans available from their general management processes.
19. For dioceses are not eligible to apply for DIP funding in 2026-28 because they received funds for a substantial change programme in 2023-25, they will access the funding on the submission of an updated financial plan which includes the impact of the Diocesan Finance Review. This should in addition include a short narrative for how the programme has developed since it was awarded funding, and the most recent annual review for programmes over a year old.
20. DIP Proposals should be submitted to the SMMIB through the Grants Management Portal. Those submitting updated financial plans should also do so through the Portal.

Funding criteria

21. The SMMIB will assess any request for Time-Limited Funding in the context of its assessment of the quality of the DIP proposal which accompanies it (see DIP funding guidelines). In doing so, it will be specifically look at:
- The quality of the diocese's financial sustainability plan as outlined above and the impact of the time-limited funding as part of the plan.
 - Confidence in the delivery of the financial plan e.g. the commitment of the diocese's senior team to it, the management capacity to deliver it, an 'open book' culture among the diocesan team in relation to working with SMMIB and its staff.

Funding levels and payment profiles

22. £37m of Time-Limited Funding is available in 2026-28.
23. Grants may be made available to dioceses of up to 25% of their DIP funding benchmark for 2026-28 i.e. an additional sum of up to 25% of that benchmark. These benchmarks mean that funding will be available for every eligible diocese, and there is no need to rush. The desire is that all eligible dioceses have sustainability plans and access funding.
24. The Spending Plans have indicated that more Time-Limited Funding will be available in 2029-31. Dioceses can make assumptions in their planning about the level available in these years but should note this is not guaranteed.
25. Dioceses which are not eligible to apply for DIP funding in 2026-28 because they received funds for a substantial change programme in 2023-25, but did not receive any short-term financial support, may apply for a maximum award of £0.5m.
26. Funding may be paid out over any timeframe up to the end of 2034. This recognises that formula funding is at a higher level in 2026-28.
27. The national Church will track the disbursement of the Time-Limited Funding over the course of 2026-28. Funds will be subject to a cap on award in each year, and so, depending on demand, some dioceses may be asked to delay their proposal until later in the triennium. If demand is in excess of funding available in a given year, priority will be given first to dioceses who have already asked for funding, then to those with least months' unrestricted reserves. The level of funding available is £11m in 2026, £13m in 2027, and £13m in 2028.
28. There may be scope for additional funding for some dioceses later in the triennium depending on demand levels. The priority of the national Church will be supporting the least wealthy dioceses.

Monitoring, Evaluation, Learning and Reporting requirements

29. Any funding will be awarded in connection to a Diocesan Investment Programme award, and so any awards as part of this funding will be part of the monitoring and evaluation requirements of that DIP award. The focus in this note is on the financial sustainability aspect of these requirements.
30. Dioceses will be required to include outcomes relating to their financial sustainability as part of their strategic financial plan (for example, their operational deficit, their unrestricted reserves, and how income and expenditure lines will change).

31. Dioceses will be expected to report each year on their progress against their strategic financial plans as part of the on-going evaluation of the effectiveness of the change programme for which DIP has been awarded.
32. The goal of the funding is increased financial sustainability, so grants will be honoured where there is better than expected performance. Over time, there will be the opportunity to reflect on learning and the level of support needed in the next period.
33. Where results are not as hoped, the conversation with the diocese will focus on how they can use all of their resources differently in order to be sustainable, including their main DIP investment, other national funding, and the diocesan's own resources. The diocese should not expect to receive any additional Time-Limited Funding.

Governance

34. Proposals will be considered by the Strategic Mission and Ministry Investment Board at one of their three annual funding meetings (in 2026 these are in February, June, and December).
35. The review panel which supports the SMMIB in assessing DIP proposals will give detailed scrutiny of proposals and highlight issues for the Board's consideration.
36. As well as a straight approval or rejection, the SMMIB may decide to add conditions to any award or give an indication in principle which requires further conditions to be met before an award takes place.
37. All awards will be communicated after each meeting of the SMMIB, and as part of its annual report.
38. All awards are subject to the National Church Institutions' standard funding agreement which includes compliance requirements around safeguarding, financial due diligence, and data protection.

Support Available

39. For all dioceses, their Diocesan Support Team contact should be their first port of call for advice and support.