



## PENSIONS BOARD

### **National Church Spending Plans: Grant award to the Pensions Board** Frequently Asked Questions

On Monday 9 June, the outcomes of the Triennium Funding process were shared with the Church. This is the process which determines what grants will be paid from the Church's historical endowment (managed by the Church Commissioners) to support mission and ministry over the next three years (from 2026-8).

We are delighted to hear that the Pensions Board has been allocated over £95m of grant funding to help us support current residents and future applicants with continued access to Church retirement housing. This funding also includes investment to help clergy prepare well for retirement and make informed choices about their plans, building on the ideas proposed through [Enabling Choice](#).

This funding is part of a very significant investment by the Church in supporting clergy wellbeing (including increases to stipends and a previously announced and separately funded package of improvements to clergy pensions).

We know that residents, current applicants, and other clergy colleagues have questions about how this investment will be used. This Frequently Asked Questions document brings together answers to those questions received to date.

## About the source of the funding

### 1. Where has this money come from?

The funds come from the Church of England's endowment fund managed by the Church Commissioners and distributed through the Archbishop's Council. Every three years, the Commissioners assess how much can be distributed from the endowment to be allocated in support of the Church's mission and ministry across the country. The House of Bishops, the Archbishops' Council and the Commissioners come together to consider how to allocate the distributions. This is known as the Triennium Funding process. We understand that even though the sum put forward by the Commissioners in total is considerably more than any previous triennium, the sum of spending requests was higher still and no areas of discretionary spend received everything asked for.

### 2. How will the investment be split across Church retirement housing and new services?

In line with Monday's announcement (a detailed breakdown of which can be found [here](#)), £65m will be put towards the costs of today's retirement housing offer. This investment will allow the Board to meet demand from future retirees for help with housing by allowing us to continue to purchase properties for the portfolio. It also provides for investment in our existing properties, including energy efficiency improvements to help meet new regulatory requirements, including energy efficiency improvements to help meet new regulatory requirements.

The remaining sum of £30.7m will support the Church to open up new and different choices for clergy in ministry today in relation to their future housing plans. This includes offering grants to ordinands to kick-start savings plans, targeted investment to bridge the gap towards home-ownership during ministry, access to independent financial advice, and more. Essentially it provides funding to take forward the ideas in [Enabling Choice](#) which received such a positive reaction from clergy.

### 3. What about the funding for the pensions improvements already announced? How is that different?

In May, the Archbishops' Council announced proposals to improve [clergy pension benefits](#), with further discussions on this planned at General Synod in July. The cost of this is met from within the Church of England Funded Pension Scheme itself. The draft results of the latest statutory valuation (as at 31 December 2024) shows the scheme is more than fully funded, driven by favourable market conditions and great investment performance across more than a decade.

The £95m investment in retirement housing and retirement planning is entirely separate to the performance of the pension fund. The pension funds and housing activities are separate and ring-fenced from each other.

## About the investment in Church retirement housing

### 4. Why is the £65m investment in Church retirement housing needed?

The Church retirement housing scheme offers retiring clergy who need it, the option to rent a home from the Pensions Board at a subsidised rate. This scheme has always required a level of grant funding from the Church to cover its costs, including an annual grant<sup>1</sup> from the Archbishops' Council (itself funded from diocesan apportionment).

However, the housing service faces significant headwinds from higher retirements expected in the next few years, the compounding effect of a recent period of high interest and inflation rates, and increased regulatory requirements.

The funding settlement supports:

1. Sufficient new purchases of homes, which along with available homes within our existing portfolio, will help us meet demand from retirees. This means that those coming to retirement who need to rent from the Church will have the opportunity to do so. We will of course continue to assist clergy in exploring the full range of options, including helping them work out whether they can buy in retirement and working with other (e.g. faith-based) providers.
2. A programme of property improvement works for existing properties, with a particular focus on achieving a minimum EPC of C by 2030 (which should also reduce energy costs for residents). A comprehensive survey programme will commence later this year, supplemented by surveys of priority properties for energy efficiency works. We will be writing to residents about this in due course.
3. Covering day to day running costs of the scheme, through a planned simplification of Church finances, which means the annual grant awarded from the Council to the Board will now be met through the triennium process.

The funding allocation is for three years, with an indicative allocation for the following six years.

### 5. The Board currently borrows externally to fund the cost of new homes for its portfolio. Will that change with this funding?

No – we will still need to borrow externally to purchase properties to ensure we can meet the volume of retirements predicted in the next few years.

### 6. Will this change what types of homes you buy?

We will continue to purchase properties based on:

- Locations for which there is known demand based on registrations. We retain an ambition to continue to offer homes throughout England, recognising the costs of purchasing in some areas are prohibitive and that other providers may be more affordable ways to meet that

---

<sup>1</sup> In technical terms known as 'Vote 5' as it was the grant awarded annually through the fifth vote of Synod on the Archbishops' Council budget.

need. Enabled by this funding, we are working to get ever more detailed information from applicants on areas they might want to retire to, and when they want to retire, so that the acquisition process for the portfolio can be as informed as possible.

- Ensuring that properties are maintainable, offer low running costs, contribute to the Church's move towards net zero, are suitable for older living, insurable including consideration of flood risk, etc.

Typically, our homes are 2-3 bedroom properties. Available homes are listed for applicants through our regularly distributed housing bulletin.

### **7. Will there be any reduction in rents from this money?**

Rents are subsidised and are typically about 60% of market rent levels for an equivalent property in the same area. The new funding ensures that the current level of subsidy can be maintained.

Recognising that everyone's financial situation is different, if a resident or prospective resident is worried about affordability of Church retirement housing, this should be discussed with our team. There are often ways we can help on an individual basis. If this applies to you, please contact us at [housingservices@churchofengland.org](mailto:housingservices@churchofengland.org) or 020 7898 1824, and ask to speak to your Housing Officer or our Welfare Advisor. Please note all enquiries are handled sensitively.

### **8. Will you apply an extra increase to the rents if General Synod agrees to improve clergy pensions?**

No.

### **9. What are the priorities for energy efficiency works?**

We are prioritising ensuring a minimum Energy Performance Certificate (EPC) rating of 'C' by 2030 across the estate. This is both consistent with new regulations for landlords and prioritises those who are likely to have higher energy bills. Specific works will depend on each property and focus on thermal efficiency, for example improved insulation (where not already in place), windows, doors etc. It may include installing solar panels.

This is an important contribution to the Church's net zero ambition.

### **10. What about the other surveys?**

We are undertaking a comprehensive survey of all properties later this year and into next. This will provide up to date information on the condition of all properties to inform our energy efficiency improvement and planned maintenance programmes, which can now be considerably expanded thanks to this new funding.

## About the investment in new choices

### **11. What new services and forms of support will you offer to clergy with their retirement plans?**

Our plans build upon the feedback that clergy offered to us through the Enabling Choice conversation process last year. We heard clearly through that process that clergy at all stages of life want more support to help them to plan ahead across ministry. This includes

1. The offer of a financial health check with an independent regulated expert, at key points in the ministry journey.
2. Offering grants to stipendiary ordinands to encourage and 'kick start' a regular habit of saving, aiding financial resilience.
3. New products, delivered through regulated expert providers, designed to bridge the gap towards home ownership in ministry where this is someone's ambition.
4. Establishing a rhythm of discussions with clergy at moments that matter across life and ministry about the future, supported by a regionally based team and online tools that clergy can access as and when they need them.
5. Continuing to support clergy in the run up to retirement to consider all their housing options, including later life home ownership and quality rental options through a network of provider partners.

### **12. When will the new services be available?**

New services will start to become available in 2026.

We've been working behind the scenes to turn the ideas in Enabling Choice into practical proposals, including working with specialist providers. With funding now confirmed, we can procure relevant services and firm up the new range of retirement products to offer to clergy. More detail will follow.

### **13. Can I express an interest (e.g. in buying a house while in stipendiary service) now? Who do I contact?**

If you intend to retire in the next five years and do not have your retirement housing sorted, please get in contact. You can email [housingservices@churchofengland.org](mailto:housingservices@churchofengland.org) or call 0207 898 1824. We can help you explore the range of options that already exist, including signposting and information on homeownership in retirement if that's relevant for you.

In relation to the new services, please keep an eye out on the website. Later in the year, we would be particularly pleased to hear from those who might be interested in the new in-ministry mortgage product, to help with planning the launch of that product in 2026. If you are already thinking about this, email: [enablingchoice@churchofengland.org](mailto:enablingchoice@churchofengland.org), and we will be in touch once more information is available.

### **14. I need financial help now. What should I do and who should I contact?**

If you need regulated, independent financial advice today, you can call or email Ecclesiastical Financial Advisory Services (EFAS). You can arrange a free initial call with one of their friendly

financial advisers by calling 0800 107 0190 or email [getadvice@ecclesiastical.com](mailto:getadvice@ecclesiastical.com). Or there are some helpful links on MoneyHelper ([www.moneyhelper.org.uk](http://www.moneyhelper.org.uk))