

Paper A2

Proposal to establish a shared Church Life Fund

Business Committee

Basic information

Contact name and email address	Myles Dunnett, Programme Manager, Church Life Review myles.dunnett@urc.org.uk
Action required	Decision.
Draft resolution(s)	Resolution 5 General Assembly endorses the proposal to establish a Church Life Fund (CLF) and invites the URC Trust (URCT) to make necessary arrangements to implement the fund. Assembly directs relevant URC staff to support this process as required. Resolution 6 Assembly instructs Business Committee to initiate a review of the Church Life Fund after three years of operation, with outputs brought before Assembly in 2029 or later. Resolution 7 General Assembly invites synods, trusts, and others to make contributions to URCT to create a fund known as the Church Life Fund. It is proposed that any such funds will be donated by synods, trusts, and others and received by URCT on the following terms: - The donations will form a restricted fund known as the Church Life Fund whose purposes will be funding new shared services and making grants for lay workers in local churches and new communities of discipleship and worship. - If the Church Life Fund shall be dissolved at any time in the future any remaining funds after settlement of all liabilities will be returned to the synods, trusts, and other contributors in the proportions to which they contributed to the Church Life Fund. Resolution 8 General Assembly resolves that a Church Life Fund Committee is established, with a representative from every synod. URCT is invited to take advice from the Committee

	on the expenditure of the Church Life Fund and on request the Committee is authorised to provide such advice. Resolution 9 General Assembly instructs Church Life Fund Committee to publish criteria, which synods should use to make judgements about which applications to send to the Church Life Fund. Resolution 10 General Assembly notes the draft Terms of Reference laid out in Appendix Three, and instructs that relevant committees undertake the necessary work and bring back final Terms of Reference and proposed members to Assembly/Assembly Executive in 2026. Resolution 11 General Assembly instructs Church Life Fund Committee to make arrangements so that local churches and individuals can also contribute to the Church Life Fund. Assembly recommends that the Committee explores options for grants from external funding bodies.
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Summary of content

Subject and aim(s)	To propose the establishment of a shared restricted Church Life Fund to resource the outcomes of Church Life Review phase two, in line with Resolutions 47 and 48 of General Assembly 2023.
Main points	Executive Summary In response to Resolutions 47 and 48 of General Assembly 2023, this paper proposes the creation of a Church Life Fund (CLF) restricted to providing funding for shared services, lay workers, and new communities of discipleship and worship. The CLF will be resourced mainly by synods, held as a restricted fund by URC Trust, and overseen by URCT as charity trustee receiving advice from a representative committee to ensure transparent, conciliar decision-making. The proposal builds on proven URC precedents, avoids the complexity of new legal structures, and enables flexible, accountable resource sharing. A major review after three years will guide Assembly on whether to continue, expand, or conclude the fund. By pooling resources, the CLF will strengthen local churches, reduce duplication, and open new possibilities for mission.
Previous relevant documents	Paper N1, General Assembly 2023 (Resolutions 47 and 48) CLR Shared Fund Proposal, January 2025 (Appendix One) Second Letter to Synods and Trusts, July 2025 (Appendix Two) Original model (January 2025)

	CLF impact model (September 2025)
Consultation has taken place with...	Attendees at the first CLR finance consultation in June 2024 Attendees at the second CLR finance consultation in May 2025 Synod officers, staff, volunteers Synod trust company convenors, secretaries, and where possible, trustees CLR Steering Group, Finance Working Group, and Sub-Committee URC Legal Adviser URC Trust Senior Leadership Team Business Committee Resources Committee

Summary of impact

Financial	URC Trust (URCT): URCT would be charity trustee of the restricted Church Life Fund. Synods: Financial contributions from synods/trusts are considered in Paper A11. Despite the significant contributions synods are being asked to make, it is expected that shared services will bring savings in other areas of expenditure. Local churches: The CLF will have a substantial and positive impact on a number of churches, including funded shared services and the opportunity to apply for grants for lay workers and new communities.
External (eg ecumenical)	Funded work will include new communities of discipleship and worship, some of which may be ecumenical ventures. More about this can be found in Paper A9. Grants for lay workers may also be directed to LEPs (Paper A8). LEPs will be able to access shared services, including the myURC resources hub.

1. Approach in this paper

- 1.1 The main body of this paper has been kept as short as possible to aid reading. To manage length and avoid duplication, commentary on comparators, alternatives, and justification is omitted. However, extensive justification and comparison is included in the original proposal, found in Appendix One, and the follow-up letter to synods and trusts (sent following the May 2025 Church Life Review Shared Fund Proposal consultation) in Appendix Two. A legal opinion from Mr Andrew Middleton is also included as Appendix Five. This paper must therefore be understood alongside its appendices.
- 1.2 This paper is structured around four core questions: Where did this proposal come from? Why should the Church Life Fund be established? What form will it take? How will it operate?
- 1.3 This paper does not address financial questions linked to the size of the fund (based on initial offers from synods). These matters are dealt with in Paper A11, which will be brought to Assembly as a late paper, to account for the outcome of Synod Meetings in October.

2. A collaborative process: Where did this proposal come from?

- 2.1. Church Life Review (CLR) Phase Two (Design) was tasked with exploring new models of financial resource sharing in Resolution 48 from General Assembly 2023:

General Assembly believes God is calling us to financial resource sharing across the United Reformed Church in accordance with the values and principles it has adopted. It empowers the Business Committee, in consultation with the Nominations Committee, to appoint a task group to:

- a) Develop a range of different models of resource sharing.
- b) To carry out detailed feasibility work for each model.
- c) To determine what structural or legal changes might be necessary to enable each model to function.
- d) To evaluate each model against the values and principles General Assembly has adopted.
- e) To report back, ideally to General Assembly 2024.

- 2.2. In the absence of a task group, the CLR Steering Group took on this role, and committed to find ways to consult widely.

- 2.3. General Assembly 2023 instructed that the evaluation of financial resource sharing models should respond to the following values and principles, outlined in Resolution 47:

General Assembly adopts the following Values and Principles as the basis for future decision making concerning the use and sharing of financial resources across Synods and the General Assembly:

Values

- a) As the United Reformed Church, we value conciliar decision making where we:
 - listen to each other, and the urgings of the Holy Spirit
 - act with humility
 - act with grace and generosity
 - seek to consider the good of all God's people, fostering obedience to the Gospel and furthering justice and climate care, rather than narrow self interest
- b) We believe that transparency about our decision making helps us be accountable to each other, and to God, whose mission we seek to serve
- c) We will use the charitable funds at our disposal lawfully and ensure the activity carried out with them is compliant.

Principles

- a) We seek to use our resources effectively
- b) We look to be efficient, as part of our commitment to good stewardship
- c) We will take considered risks for the Kingdom
- d) We prioritise partnership within and beyond the United Reformed Church.

- 2.4. An initial CLR Financial Resource Sharing consultation was held in Bloomsbury in June 2024. This consultation brought together a group of synod officers, staff, and trust company trustees, along with staff from the Offices of

General Assembly and other interested individuals. The four options we explored were:

1. Amalgamation of all assets into central trusts
2. Amalgamation of financial assets into a central trust, retention of property in local trusts
3. A new, sizable fund which synods contribute to, out of which shared services, lay workers, and other work can be funded
4. Establishment of a cooperation agreement.

- 2.5. The primary outcome of the June 2024 consultation was the creation of a substantial new shared fund was the preferred model. There was little appetite for more radical options, like the merging of assets into collective trusts, due to the complexity, cost, and time requirements. The CLR Steering Group subsequently decided to set up a Finance Working Group to consider alternatives, comparators, and options, with a clear request to produce a report for the Steering Group by the end of 2024. Finance Working Group members were: Revd Dr Romilly Micklem, Ms Catriona Wheeler, Mr John Denison, Ms Faith Paulding, and Mr Chris Atherton. The group was co-chaired by Mr Alan Yates (finance) and Mr Myles Dunnett (process).
- 2.6. In December 2024, the Finance Working Group presented a proposal to the CLR Steering Group, which was accepted and sent to synods and trusts in January 2025. The proposal is attached as Appendix One. This paper is based on that original proposal.
- 2.7. The proposal was presented and discussed at the CLR Shared Fund Consultation in May 2025. Responses to questions and feedback raised at that consultation were communicated to synods and trusts in a letter sent in July 2025. The letter is reproduced in Appendix Two.
- 2.8. In summary, this proposal brought before Assembly is the outcome of an extended and complex process of collaboration, including two major consultations, as well as numerous meetings with synods and trusts, both in formal settings (Synod Executives, Synod Meetings, Trust Meetings) and informal settings (ad hoc conversations with treasurers and trusts, synod Q&A sessions for local church members, etc). The paper is based both on the original proposal in Appendix One (which follows the first consultation) and the follow-up letter in Appendix Two (which follows the second consultation). The Steering Group have also taken care to seek legal advice from Mr Andrew Middleton in relation to the proposed governance model. The legal advice can be found in Appendix Five.
3. **Purpose, principles, and use: Why a Church Life Fund?**
 - 3.1. The Church Life Fund (CLF) is proposed in response to work undertaken throughout CLR Phase Two (Design), responding to Resolutions 47-51a from General Assembly 2023. Resolutions 47 and 48 comprise the financial resource sharing workstream. The outcome of this workstream is the Church Life Fund, intended as an enabling mechanism for all other proposals. This is a significant development in the collective finances of the URC, and opens the door for a substantial portfolio of new activity.

- 3.2. The CLF would be a significant, accessible shared fund, providing expenditure for:
- New, collective shared services in areas including accounting, buying, HR, IT, payroll, and a denominational resources hub
 - Safe and compliant employment of lay workers in local church roles
 - New URC communities of discipleship and worship.
- 3.3. The proposed fund is a model which builds on what has worked in the past, and avoids the complexity of more radical options like merging trust company assets into collective trusts.
- 3.4. The CLF is not intended to replace, supplant, or circumvent the Ministry and Mission Fund.
- 3.5. The Steering Group have agreed four core principles for expenditure from the fund:
1. To apportion money across three areas of spend (shared services, new communities, lay workers)
 2. To do things well
 3. To evaluate work according to success criteria
 4. To work with honesty and transparency.
4. **Structure and governance: What is the Church Life Fund?**
- 4.1. A number of governance models were thoroughly explored – these were narrowed down to three options, which are explored at length in Appendix Five. Over time, the preferred model shifted from designation to restriction, as our understanding of the legal context evolved, and in acknowledgment of the need to give synods and trusts full legal assurance that Church Life Funds could not be reallocated for different purposes. This is why the original proposal, Appendix One, does not include reference to the final option being proposed.
- 4.2. The model proposed is that the fund should be a restricted fund, held by United Reformed Church Trust (URCT) as the charity trustee. This model is named as option two in the legal opinion in Appendix Five. As the charitable trustee, URCT will have legal responsibility for the funds.
- 4.3. As a restricted fund, donors (primarily synods/trusts) will have maximal legal assurance that the funds will only be applied for Church Life Fund purposes. The restricted purposes of the Church Life Fund fall within the wider charitable purposes of URC Trust.
- 4.4. The structure of the restricted fund proposed will not need to be registered as a separate charity with its own trustees. However, as noted in Appendix Five, as the fund is charitable it *may* need to be linked by the Charity Commission to URC Trust (written advice from the Charity Commission is being sought). The process of linking is not onerous and has no practical effect on the use of the restricted fund.
- 4.5. Restriction reflects a tested precedent: the Pension Deficit Restricted Fund was established in this way. As with the Pension Deficit Fund, should the Church Life Fund be closed, any remaining funds would be returned to donors

in proportion to how they were contributed, as a term of the restriction. Standard restriction wording will be circulated.

- 4.6. To enable good, conciliar decision-making, it is proposed that as a result of delegation, URCT will be advised in the use of the funds by a new Church Life Fund Committee (CLFC). This new committee will be fully representative of the URC, with at least one member from every synod. There will also be cross-membership between URCT and CLFC.
- 4.7. Regarding the governance body, Church Life Fund Committee, precedent exists here too. Although URCT would retain formal oversight as the charity trustee, cross-membership of URCT and the representative CLFC would ensure applications for funding would receive appropriate consideration. This would mirror the relationship between URCT and Resources Committee: Resources Committee advises URCT on the application of URC general funds held by URCT. URCT take this advice due to confidence in the Committee's process, on the basis of cross-membership and transparency. The same model is proposed here.
- 4.8. The potential for CLFC to take on governance responsibility for Inter-Synod Resource Sharing, replacing Resource Sharing Task Group, has been considered and discussed. It is not felt that merging the governance, even while keeping the funds separate, will be possible from the outset. Further work can be done once CLFC is established to assess feasibility of this governance merger.
- 4.9. The fund will be time-bounded to a ten-year lifespan, with a major review of its activities after three years. Based on the outcome of that and subsequent reviews, Assembly will decide whether to maintain, expand, or wrap up the CLF. This review will be independent of the CLFC, initiated and overseen by Business Committee, with at least one reviewer drawn from outside the URC's membership. Following the outcome of this review and Assembly's decision, consultation would take place with synods and their trusts. It is envisioned that, provided it is working well, the CLF will continue beyond its ten-year initial time-bounding.
- 4.10. A draft Terms of Reference document for the Church Life Fund Committee is included as Appendix Three. This document includes a diagram depicting the Committee's membership, prepared by Alex Clare-Young.

5. **Funding and expenditure: How will it work?**

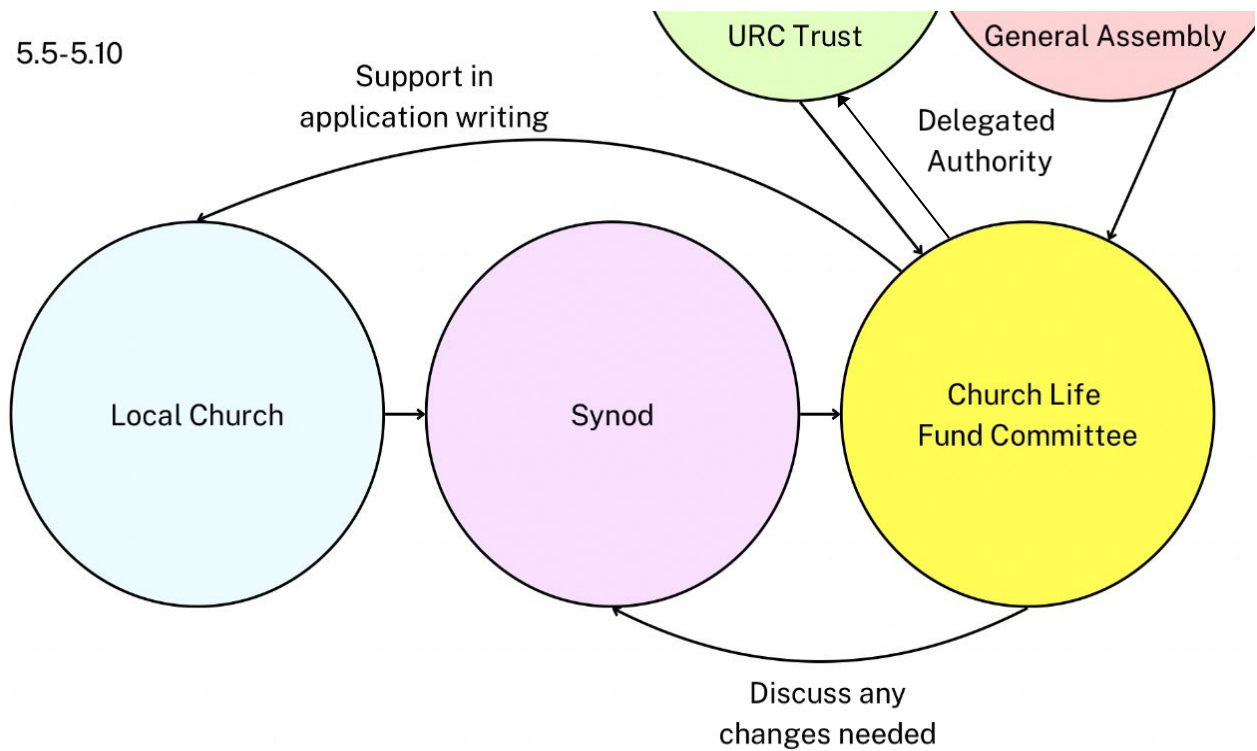
- 5.1. The CLF will be funded by generous contributions from synods and their trust companies. The fund will be expendable, not the creation of a permanent endowment. An avenue will also be created for local churches who wish to contribute, as well as external bodies, although there will be no expectation that this will happen, and the fund's cash flow modelling will not rely on non-synod contributions.
- 5.2. It is acknowledged that the Church Life Fund will represent yet another call on synod finances, alongside others including M&M. M&M will remain the first call on the synods' finances, as it is for local churches. Offices of General

Assembly finance staff will find ways of working with synods and their trusts to coordinate the timing of contributions.

- 5.3. Funding for shared services will be the first call on the CLF, and will be consistent regardless of the scale of the fund. Lay worker and new communities funding will be dispensed on a grant-making basis in response to applications. Details for the processes under each funding stream are explored in subsequent papers.
- 5.4. Shared services will be available to everyone in the URC, including synods. Any church may make an application for a lay worker. Any area is eligible for funding to support a new URC community of discipleship and worship. The entire ethos of the fund is one of permissiveness, allowing new work to happen in new ways and in new places.
- 5.5. Applications for lay workers and new communities will be sent to CLFC by synods, on behalf of the local churches who wish to apply for funding. Local churches may not apply directly to the CLF without the support of their synod.
- 5.6. CLFC will provide synods with generic criteria, to help them decide whether or not to support applications to the Church Life Fund; synods may wish to add to these criteria, depending on contextual factors, e.g. the existence of a synod fund for certain grants. One of the criteria will be centered around viability, to ensure funds are being requested for churches in which they will make a difference.
- 5.7. Synods will be advised to support any application that meets all of the criteria. If, despite this safeguard, a synod-level decision is appealed, the process should follow the generic appeals process outlined in The Manual. Decisions of the Church Life Fund Committee will be made under the delegated authority of General Assembly and URC Trust. CLFC will liaise with the relevant synod if changes need to be made to an application. If issue is taken with a formal decision of CLFC, there will be a mediation process between the Committee and relevant synod.
- 5.8. All lay worker and new communities applications will be treated equally by the CLFC, regardless of their origin. Applications will be assessed on their individual merits only, in line with set criteria. Individual synod representatives will need to recuse themselves from decisions relating to applications originating from their synod.
- 5.9. All work will be evaluated according to success criteria. Success measurement methodologies for lay worker and new communities grants are set out in the respective proposals.
- 5.10. CLFC will offer support in application writing to local churches and those interested in starting new communities. The form of this support will be decided by the committee, and may be a volunteer network or paid role. CLFC will not directly employ any staff (either funded lay workers or internal administrative) and will assume no vicarious liability for any employment arrangement.

5.11. The phasing of contributions and awards means that expenditure is unlikely to match contributions year-by-year. This is addressed in Appendix Four.

5.5-5.10



Consolidated fund application process and governance model, by Alex Clare-Young

Appendix One: Original Proposal to Establish a Church Life Review Fund – CLR Steering Group and Finance Working Group, January 2025

Introduction

General Assembly 2023 asked the Church Life Review to explore new models of resource sharing (Resolutions 47 and 48). Following the CLR finance consultation in June 2024, there was energy around the idea of creating a shared pot to provide funding for the new ways of working proposed by the Church Life Review process. There was less appetite for funding options which involved the merger of trust companies. In response, the CLR Steering Group established a Finance Working Group to explore options for the new fund. Following extensive discussion of alternatives and comparators, the Finance Working Group and Steering Group have proposed the establishment of a new fund, similar to a substantially enhanced Inter-Synod Resource Sharing (ISRS) approach, out of which shared services, lay workers, and new worshipping communities can be resourced (in line with CLR Resolutions passed by General Assembly in 2023).

This proposal is therefore an initial vision, and a starting point from which wider consultation with the 13 synods and their associated trust companies can take place. Overall, this paper and associated funding model seeks to give synod trusts and General Assembly confidence that finance can be arranged to fund CLR proposals, in line with the values and principles set out in Resolution 47. Following consultation and refinement, this model could form the basis for the establishment of the fund. URC Record of Assembly, 2023, pp. 24-26, urc.org.uk/wp-content/uploads/2023/08/Record-of-Assembly-2023-web.pdf

What the fund will be used for

- Funding shared support services (Resolutions 49 and 50)
- Enabling the employment of lay workers in local church roles (Resolution 51)
- Resourcing the creation of new URC communities of worship and discipleship (Resolution 51a)
- Note that requests for contributions to the CLR fund will be separate from M&M, and any other extant or new funding streams. However, it will be important to synchronise requests to ensure that synods/trusts have full visibility of calls on their finances. An option to merge the governance function for Inter-Synod Resource Sharing (ISRS) with the CLR Fund is explored below.

Where the fund will be held

- It is proposed that the CLR Fund should be a newly established fund within the URC Trust, which will act as trustee. General Assembly will make arrangements for a CLR Fund Committee, which will have a representative from every synod, as well as a member/s from the URC Trust. The options for the specific legal model (i.e. the relationship between the URC Trust and the CLR Fund Committee) are explored in more detail below, in 'points for further consultation'.

Commentary: Other options were explored, such as establishing an entirely new trust or using a synod trust. However, neither option was as simple to establish or govern as using the URC Trust.

Allocation approach

- All synods can benefit, but it is anticipated that some synods may decide not to use the CLR fund for certain activities that they could cover themselves.
- To represent the church equally, the CLR Fund Committee will have at least one member from every synod, and will have a significant role in managing the fund.
- The Committee will make recommendations based on policy set by General Assembly and accepted by the URC Trust, to satisfy synod auditors of financial probity.
- Grant award requests and receipt will be conducted through synods, i.e. no application can be considered without synod support.

Commentary: Accepting grant requests directly from churches was considered, as this might be quicker. However, unless the synods are closely involved, vital information and context about the church(es) may not be available, and this may hinder the quality of the application. Various governance models were considered, but it was considered important that use of the fund is guided by a fully representative body.

Funding

- Given the pace of change in society and the Church, a capital endowment model is not appropriate. This proposal suggests a fund duration of 10 years.
- It is expected that the fund will still exist after that period, but its scope and purposes are likely to develop and change.
- Note that a shorter period of five years was considered but that was deemed to be too short for church planting (and similar) mission projects. However, this proposal calls for a major review of the fund after three years.
- Synods will be free to choose how they contribute, with options being a lump cash sum, ongoing cash contributions, or a hybrid model, within an agreed schedule of contributions.
- Synods will be able to make contributions on an ad hoc basis, e.g. following the sale of a property. It must be noted, however, that the preference would be for a clear schedule of contributions wherever possible, given the challenges of budgeting for 'windfall' contributions.
- Current modelling will be based on a fund providing annual expenditure values as follows:
 - Low: £1 million
 - Medium: £2.5 million

- High: £4 million

Please see the attached model for further information.

- £1 million represents a bare minimum figure, likely to be below the threshold necessary to make a meaningful difference or satisfy stated aims.
- The model accounts for synod contributions in four categories: minimum contribution, low contribution, medium contribution, and high contribution.
- Note that this modelling is not expected to constrain the development of CLR activities; it simply enables 'supply and demand' planning to take place in parallel.
- The model is also not expected to constrain synod contributions: synods will decide to contribute different amounts (and at different intervals), dependent on their ability at a given moment.

Expenditure eligibility

- An initial vision of early funding items includes:
 - A denominational resources portal
 - Funding for the employment of lay workers in local church roles, where they could not otherwise be afforded
 - New ways of working which emerge from the CLR's living labs, potentially including:
 - An advice phoneline for synods to offer to local churches
 - Accounting software and support made available to synods to provide an accountancy service on behalf of local churches
 - Missional projects, for which guiding principles emerged at the January 2025 *Conversations at the Crossroads* conference
 - Other shared services which emerged from the November 2024 CLR Shared Services Consultation, and infrastructure needed to support them, including but not limited to:
 - Collective payroll function
 - Buying service for local churches
 - Shared car leasing provision
 - Local church websites
 - Shared IT infrastructure
 - Shared HR software and advice
 - Guidance on rent legislation.
- N.B. General Assembly asked the CLR shared services workstream to consider shared services for finance, safeguarding, HR, property, health and safety, and IT. Items may be added to the list above as the Steering Group have further conversations. Shared services would be optional, e.g. synods may choose not to make use of a phoneline.

- CLR Fund expenditure does not represent entirely additional cost – there will be (potentially substantial) savings incurred by new models of shared service provision due to economies of scale, particularly in areas like HR.
- Items eligible for funding from a potential Community Enabling Fund would not be eligible for funding from the CLR Fund.
- The CLR Fund Committee may wish to establish a Sub-Committee to explore which activities to fund.

Costs and Savings

This table outlines some examples of costs incurred by the CLR Fund which may entail savings within synod budgets, particularly when linked to economies of scale. This list is representative rather than exhaustive.

Costs	Savings
Shared IT infrastructure	Replication of IT infrastructure across denomination
Resources portal infrastructure	Legal advice and other costs related to individual synod resources
Increased central payroll capacity	Replication of synod payroll solutions
Collective legal advice, e.g. for rent legislation	Requirement for synods to duplicate legal advice 13 times
Collective car leasing provider	Numerous lease providers
Collective membership of buying solution	Cheaper buying for local churches

Additional Costs

The following items of CLR Fund expenditure are additional costs, which may not entail direct savings within synod budgets:

- Resourcing new communities of worship and discipleship
- Funding for lay workers in local churches who could not otherwise afford them.

Expenditure Apportionment

The CLR Fund Committee will be responsible for producing an annual budget. The following outlines a potential apportionment for the fund's annual expenditure. A full

budget is not yet provided, given ongoing work around the cost/savings of shared services, and the potential resource requirements of new communities of worship and discipleship, and lay worker roles. Additionally, the focus of the fund is likely change over time, given initial costs related to setup of new shared services.

Pending further work, it is anticipated that roughly one third of the fund will be spent on shared services, one third on new communities of worship and discipleship, and one third on enabling the employment of lay workers to support local churches. Further work will be done, before and beyond the extraordinary session of General Assembly in November 2025 (into a potential CLR Phase 3 – Implementation), to assess the costs/savings and feasibility of new ways of working.

Strategy summary

- The fund would be established for an initial period of 10 years, with a 3-year review undertaken by General Assembly. It is suggested that this review should be laid out as an appendix when a CLR Fund Resolution comes before General Assembly, to give assurance that it will take place within the agreed timeframe.
- Setup would be undertaken alongside clear communications that the fund may well continue beyond 10 years (the 3-year decision-gate would consider three options: maintenance, expansion, or wrap-up).
- Requests for contributions to the CLR fund would be separate from M&M, and any other extant or new funding streams.
- A fully representative Committee, reporting to the URC Trust, will decide what to fund.
- If the fund is wrapped up, remaining assets will be returned to synod trusts in proportion to how they were given.

Points for further consultation (on 16 May 2025)

- It has been suggested by the Steering Group and Finance Working Group that the CLR Fund and ISRS could have a combined governance function, i.e. they would both be overseen by the same representative Committee, but would remain separate pots of money with separate purposes. A key reason for the retention of ISRS as a separate process is that without funds from that process, the National Synod of Wales would no longer be considered a going concern by their auditors. The CLR Fund Committee would therefore replace Resource Sharing Task Group (RSTG) as the group responsible for the ISRS process. This would avoid duplication of effort, allow better synchronisation of calls for funds, and may reset the ISRS process within a new framework of enhanced collaboration. This point is referred for further consultation.
- There is a need to clarify which council(s) of the church will be able to make applications to the fund, and which will be able to directly receive funding.

- It is suggested that the fund should be called the 'Church Life Fund' once it has been established.
- There are two viable ways to achieve the suggested governance model, given the proposed relationship between URC Trust and CLR Fund Committee, as follows:
 - The easier and preferred model is for synods to make contributions as general funds of the URC on the clear understanding that, although formally general, they will be ringfenced and designated as CLR Funds, to be applied for CLR purposes (which come within the general purposes of the URC). The URC Trust as the charity trustee of the general funds would be the charity trustee of the CLR Fund. The proposed relationship between CLR Fund Committee and URC Trust is that, in addition to a representative(s) from every synod, a member(s) of URCT will also sit on the CLR Fund Committee. This will ensure URCT have confidence and input into the advice CLR Fund Committee provide, and will give CLR Fund Committee (and by extension, synods) confidence that URCT will be able to act on the advice they receive. If necessary, members of the CLR Fund Committee could attend meetings of URCT on invitation. Therefore, although URCT would retain authority and legal responsibility for the management and administration of the funds, it would have confidence and input into the advice the CLR Fund Committee provided. This option would take significantly less time to establish, and would be simpler and more streamlined to operate, while achieving the same outcome (funding, agreed by a representative committee, for CLR activities) as option 2.
 - The alternative, more complex option, is for synods to make contributions on the understanding that their contributions would be formally (legally) restricted to the specific and agreed purposes of the CLR Fund. The intention is that those purposes would be charitable, which would then mean that the CLR Fund was a charity in itself. In view of the potential sums under management, the charity would be above the threshold for registration with the Charities Commission. As a charity it would need its own constitution and trustees, and could be incorporated or unincorporated. This model is substantially more complex, time consuming, and costly.
 - The agreement of synods, trust companies, and the URC Trust is essential. There will be time to discuss governance at the 16 May 2025 consultation.

Next Steps

The 13 synod trusts will need to reach agreement around the proposal. In order to reach a mutually agreeable proposal before the extraordinary session of General Assembly in November 2025, a second finance consultation is planned for Friday 16

May 2025. Synod treasurers and trust company conveners (as well as moderators) are invited to attend a consultation to explore, discuss, and refine the proposal alongside the Steering Group, Finance Working Group, and members of Church House and URCT staff.

This proposal has been prepared by the CLR Steering Group and Finance Working Group.

Steering Group

Steve Faber (Convener), Moderator, West Midlands Synod

Lythan Nevard, Moderator, Eastern Synod

Tim Hopley, Clerk, North Western Synod

Elizabeth Hall, Ministries and Learning Committee Convener, North Western Synod

Muna Levan-Harris, Legal and Trust Officer, Thames North Trust

Romilly Micklem, Trust Company Convener, Wessex Synod

Jan Adamson, Clerk, National Synod of Scotland

John Bradbury, General Secretary, in attendance

Myles Dunnett, CLR Programme Manager, in attendance

Finance Working Group

Chris Atherton, Treasurer, National Synod of Wales

Catriona Wheeler, Convener, URC Trust

John Denison, Treasurer, Southern Synod

Faith Paulding, Finance Officer, Eastern Synod

Romilly Micklem, Trust Company Convener, Wessex Synod

Co-Chairs: Alan Yates, Treasurer, URC Trust (Finance) and Myles Dunnett, CLR Programme Manager (Process)

[The 'points for further consultation' section of this letter has been amended to remove an incorrect reference to the Pension Deficit Fund.]

Appendix Two: Follow-up Letter to Synods and Trusts, July 2025

Dear Synod Officers and Trust Company Convenors,

Following our previous letter to Synod Officers on 10 June, we are once again getting in touch on behalf of the Church Life Review Steering Group. This letter relates to the proposal to establish a shared Church Life Fund, and follows the 16 May Shared Fund Consultation.

The final session on 16 May suggested that attendees broadly agreed on the principle and trajectory of the proposal, and were not opposed to the idea of establishing a Church Life Fund. Subsequently, the Steering Group have met to consider the outcomes, and agree that the original proposal will be retained in its current form. The proposal has therefore been recirculated for convenience.

This letter addresses many of the questions raised on 16 May. The Church Life Fund paper brought before Assembly in November will combine the key conclusions from the original proposal with content from this letter, to form the final paper. This letter and its enclosures are therefore intended to supplement and reinforce, rather than revise, the proposal.

As a reminder, Steering Group members are Steve Faber (Convenor), Elizabeth Hall, Romilly Micklem, Lythan Nevard, Tim Hopley, Muna Levan-Harris, and Jan Adamson. John Bradbury, Myles Dunnett, and Ornella Mbula also attend the meetings.

If you have any questions, please do get in touch.

Best wishes,

A handwritten signature in blue ink, appearing to read 'J. P. Bradbury' with a stylized flourish underneath.

John Bradbury, General Secretary

A handwritten signature in black ink, appearing to read 'S. Faber' in a cursive style.

Steve Faber, Steering Group Convenor

A handwritten signature in black ink, appearing to read 'Myles Dunnett' in a cursive style.

Myles Dunnett, Programme Manager

FAQs from 16 May

Q: Will a merger of the governance function for Church Life Fund and Inter-Synod Resource Sharing be brought before Assembly?

The Church Life Fund proposal referred this question for further consultation on 16 May. At the 16 May consultation, there was a general sense that merging the governance of the Church Life Fund and ISRS might be useful and bring benefits. However, there was uncertainty about how this would work in practice given the different purposes (collecting vs spending). It may be that this question can be resolved by better thinking through the procedure for the Church Life Fund Committee (CLFC), but it is not proposed that this should be done in tandem with the establishment of the Church Life Fund. Indeed, the capacity of CLFC to undertake this dual governance function may be more apparent once it is operational. This question is therefore referred for future work. The current status of ISRS/RSTG should remain as-is.

Q: What will the fund be called?

The name Church Life Fund met with approval. It is suggested that this be formally adopted. The Church Life Fund's governance committee will be known as Church Life Fund Committee (CLFC).

Q: Will there be an avenue for contributions from local churches and external bodies?

Yes – this is a helpful suggestion and could only increase the overall size of the fund. There will be a need to ensure a predictable income stream, so the fund should not be dependent on non-synod contributions, but it is nevertheless agreed that an avenue for these contributions should be created.

Q: Will CLR representatives circulate standard/draft resolutions for synod meetings?

This has already been done – please see the letter to Synod Officers sent on 10 June.

Q: Will the fund still be viable if one or two synods do not contribute?

In the event that one synod feels they are unable to contribute, it will very likely still be possible to establish and operate the Church Life Fund. The full scale of the impact if more than one synod decides they cannot contribute would depend on a number of factors, and any answer at this point would be highly speculative. It is clear however that a smaller fund would significantly restrict the work that can be funded, and our hope is that generous contributions will allow the CLFC to maximise impact.

Q: How might we achieve transparency between synods on their offers?

The Steering Group suggest that offered contributions are met with a spirit of genuine and public acknowledgment and gratitude, primarily at General Assembly in November. There will be no criticism of any synod who feel they cannot contribute.

Q: When will shared services and resources hub be available/come onstream?

An intensive period of implementation work will follow General Assembly in November. Shared services and the resources hub will be established throughout 2026, with a view to have them up and running as soon as possible. Timelines will be worked up and communicated after Assembly in November.

Q: What about things synods are already doing – is this intended to replace synod funding?

The prevailing mood on 16 May was that a hybrid, blended, both/and approach will be necessary. Where a synod is able and wishes to continue to support existing work, that would reduce calls on the Church Life Fund and enable more work overall to be supported.

Q: Are the Steering Group encouraging the sale of buildings?

Absolutely not as a policy. It is up to synods/trusts to manage their own capital assets, cash flow, etc. The source of contributions to the Church Life Fund is a matter for each individual synod and its trust(s).

Q: How will work be evaluated?

Success measurement will look different for different aspects of the Church Life Fund's portfolio. For the Resources Hub, it will look like common measures for technical platforms, based on detailed usage statistics and qualitative feedback. Other services will have different success metrics. The new communities proposal includes a mechanism for review of the new communities. The lay worker roles will be evaluated according to their individual objectives. A key principle for the CLF is that **all** funded work will be evaluated.

Q: Will ecumenical new communities be eligible for funding?

Yes – this has been incorporated into the new communities proposal. *Please note that these FAQs are not intended to provide comprehensive information on all four of the CLR Phase Two workstreams (financial resource sharing, employment of lay workers, provision of shared support services, and new communities of discipleship and worship). They do however address relevant questions related to the other workstreams if they were raised on 16 May. The Church Life Fund proposal brought before Assembly in November will form part of a portfolio of papers and Resolutions, addressing all four of the CLR Phase Two workstreams.

Q: How will calls on synod finances be synchronised (M&M, CLF, Legacies, ISRS)?

It is suggested that M&M should remain the first call on a synod's finances (as it is for a local church). The Steering Group acknowledge that a wider conversation about M&M needs to take place after General Assembly in November.

Q: Concern was expressed that current trustees may be asked to make a commitment for up to 10 years into the future, beyond their period of service. Should we propose to establish an average term for trust company trustees?

The Steering Group note that General Assembly has no authority to do this and, therefore, take no position. However, it has been noted that it is the trustee body being asked to make the commitment, not individual trustees. Additionally, the proposal is that the Church Life Fund will be reviewed periodically, so we are looking for an in-principle commitment, subject to review after an initial three year period.

Q: Will there be a backstop to the fund?

No – the closure option is to scale down and stop funding as commitments expire.

Q: Will there be a cap on administrative costs?

To avoid constraining the CLFC, an arbitrary formal cap is not suggested at this point. It will be a responsibility of the committee to ensure admin costs are proportionate to overall spend. Once the fund is operational, CLFC may wish to impose their own cap.

Q: Will an initial review of the fund be undertaken after 3 or 5 years?

It is suggested that this takes place after 3 years of operation.

Q: What is X Synod expected to contribute?

A number of synods have asked what their 'expected' contribution might be. The Finance Working Group and Steering Group deliberately take no view on this. In line with the URC's polity, it is the responsibility of each individual synod, along with its associated trust(s), to decide the level of its contribution. To aid discussions, the Steering Group wishes to remind synods and trusts of the figures laid out in the financial model. At the 16 May consultation, it was broadly acknowledged that the lowest level of funding, equating to £1mn per annum, would be too small to make a meaningful difference, allowing for little other than shared services. The median level fund, which is increasingly viewed as the baseline funding level for meaningful outcomes, is £2.5mn per annum. It has also been acknowledged repeatedly that the larger the fund, the more will be possible; this is particularly true in terms of lay worker and new communities funding, which will operate through grant-making. The higher funding level of up to £4mn per annum remains an aspiration. The model contained *suggested* figures for what synods/trusts of different capacities may wish to

contribute. The Steering Group feel strongly that it would be inappropriate to arbitrarily sort synods/trusts into categories based on a partial understanding of their financial position. Therefore, the Steering Group strongly encourage synods and trusts to make as generous an offer as they feel possible, given their financial position and other commitments.

The Steering Group are willing to engage with individual synods and trusts if they would find further conversation beneficial.

[This letter has been edited to remove a governance model and legal opinion which are out of date.]

Appendix Three: Draft Terms of Reference for the Church Life Fund Committee

Draft Terms of Reference

Committee	Church Life Fund Committee (CLFC)
Convenor	The Convenor will be recommended by Nominations Committee and appointed by General Assembly
Secretary	Successor role to CLR Programme Manager
Ex Officio Members	Two representatives from URC Trust (See 'Membership' section below)
General Assembly Appointed Members	One nominated representative from each synod, appointed by General Assembly (See 'Membership' section below)
Length of Term	Three years
In Attendance when required (to cover their areas of expertise)	Members of the Senior Leadership Team Offices of General Assembly Staff (e.g. Chief Finance Officer, Communications) Other URCT trustees, as required Any others as requested by the Committee
Minute Secretary	Successor role to the CLR Administrator
Meeting Frequency	Quarterly
Subgroups/Sub committees	Accreditation Sub-Committee will review new community applications and progress Possible lay worker application sub-committee Other sub-committees at the Committee's discretion, based on operational requirements
Quoracy	There will be no requirement for in-meeting quoracy, to avoid this becoming an obstacle. However, there will be a requirement for quoracy in ratifying decisions: at least 50% of synods (7) and one URCT trustee. If there are not enough members in a meeting to ratify a decision, this may be done by email.
Accountability & Reporting Duties	Accountability to General Assembly The Committee will be directly accountable to General Assembly, and must submit an annual progress report. Business Committee will initiate and coordinate a major review of the fund after three years of operation. This must include at least one non-URC reviewer. Reporting to URCT

	The Committee will need to submit its advice on the application of the Church Life Fund to URCT after every meeting.
Terms of Reference Review	Annually

Responsibilities

The Church Life Fund Committee (the Committee) has delegated authority from General Assembly to advise URC Trust (URCT) on the application of the Church Life Fund (CLF), mirroring the role of Resources Committee in relation to the Ministry and Mission Fund.

In exercising this authority, the Committee shall:

Shared services

- Oversee allocation of CLF resources to support new shared services, including accounting support, denominational procurement, HR, IT, payroll, property, and the denominational resources hub and helpdesk.
- Ensure shared services are delivered consistently and effectively, acting on the outcome of Resources Committee reviews.
- Monitor usage of the myURC resources hub and identify usage trends.
- Advise URCT on where to direct CLF funds for shared services.
- Ensure that the cost of shared services is proportional given the overall income to the CLF, and in light of the number of applications for lay worker and new community funding.

Lay worker grants

- Consider applications from synods for lay worker grants, ensuring eligibility criteria are met.
- Advise URCT on where to direct CLF funds for lay worker grants.
- Safeguard the distinction between lay work and ordained/commissioned ministry, in concert with the Deputy General Secretary (Ministries) and potentially a sub-committee.
- Ensure grant-funded roles meet requirements of legal compliance, safer recruitment, insurance, line management, and pastoral care.
- Monitor outcomes through proportionate reporting and evaluation mechanisms.

New communities grants

- Consider applications for new communities of discipleship and worship, taking advice from the Accreditation Sub-Committee on the suitability of applications.
- Advise URCT on where to direct CLF funds for new community grants.
- Ensure that new communities funded reflect agreed values and principles.
- Oversee the review process, taking advice from Accreditation Sub-Committee.

Fund stewardship

- Ensure that CLF expenditure aligns with Assembly resolutions.
- Ensure funds contributed by synods are applied only for CLF purposes.
- Liaise with synods in the case that applications are not proceedable, trying to find mutually agreeable solutions.
- Act with discretion, seeking to advance innovative and permissive projects which fall within the remit of the Church Life Fund.
- Review the CLF's income and advise synods on the level of contributions needed after the initial three-year term, if the fund continues.
- Explore and enable contributions to the CLF from local churches.
- Explore opportunities for collaboration outside the URC, particularly avenues for funding from external bodies.

Applications: communications and support

- Devise, implement, and oversee a service which seeks to support local churches and synods with applications and identifying opportunities.
- Oversee a communications strategy which aims to raise awareness of the fund and its opportunities.
- Actively advocate for the fund with each synod and across the denomination.

The intention of this remit is to give the Committee broad discretion in identifying which application of the funds available to them will have the greatest impact.

Membership and Appointment Process

Synod representatives

The Committee shall consist of one representative from every synod. Given the complexity of the Committee's remit, there needs to be a wide diversity of skills and experience within the membership. Synods will notify Nominations Committee of their intended representative; Nominations will then review the proposed synod representatives. If the proposed representatives do not cover the necessary range of skills and experience, as well as equality, diversity, and inclusion requirements, Nominations will invite synods to propose alternative representatives with specified skills. Nominations Committee will present a final list of members to General Assembly, which will be invited to appoint the members of the Church Life Fund Committee.

Skills within the Committee should include accountancy, grant-making, charity law, service provision (e.g. HR, IT, etc), mission work, community development, URC history and ethos, Reformed theology, and safeguarding. This diversity of skills reflects the breadth of the Committee's responsibilities.

To assist Nominations Committee in making their determination, synods will need to provide a mini-CV for their prospective representative. This will help Nominations appraise the overall spread of the proposed membership. Ensuring the right diversity of skills, experience, and EDI on the Committee is likely to be a challenge, requiring close collaboration between Nominations Committee and synods.

Convenor

The Convenor will be an additional member of the Committee, rather one of the synod representatives. The Convenor will be recommended by Nominations Committee and appointed by General Assembly.

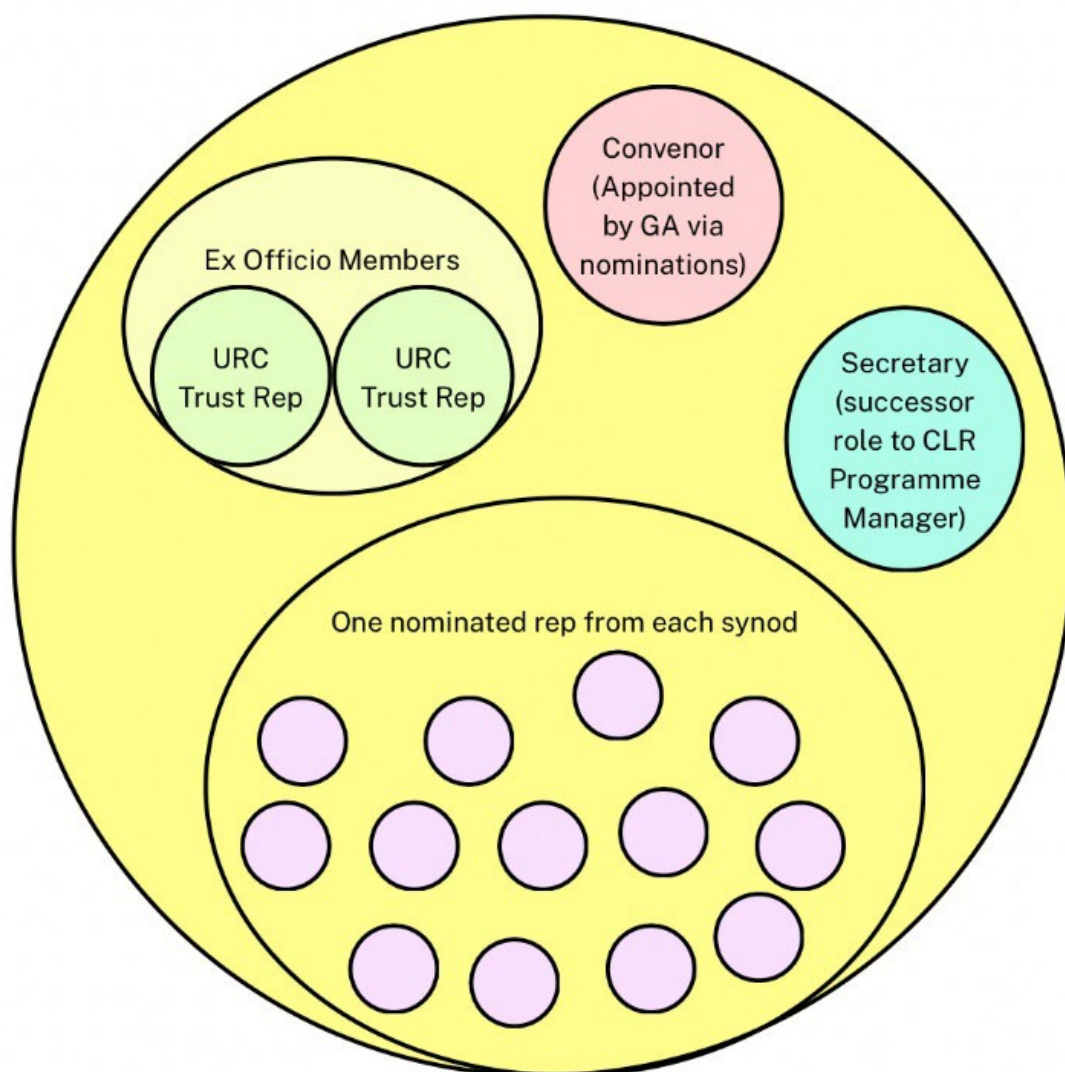
URCT members

To ensure URCT have confidence in the advice they receive from the Committee, two URCT trustees will also sit on the Committee in an ex officio capacity. These members will be appointed by URCT.

Other routine attendees

It is expected that ex officio members will routinely be in attendance, including the General Secretary and the successor role to the Church Life Review Programme Manager.

All members will need to undergo the URC's safer recruitment process.



By Alex Clare-Young

Relationships with Other Committees

URC Trust

The Committee will provide advice to URCT on the application of the Church Life Fund under delegated authority.

Resources Committee

Close liaison will be maintained where CLF funds shared services, which will fall within Resources Committees' operational remit.

Business Committee

Business Committee will initiate and coordinate the three-year review of the CLF. The Committee must also liaise with Business Committee over the submission of its annual report to General Assembly, as well as any other General Assembly Resolutions which pertain to the Church Life Fund.

Nominations Committee

Appointment of members will be handled via the agreed nominations process, ensuring balance of skills and experience within the Committee.

Conducting Business

Additional meetings can be scheduled, with reasonable notice, if business requires it. Decisions may be taken via email with the same rules of quoracy applying. Such decisions will be recorded by the Convenor/Secretary and noted at the next meeting with updates on progress as needed.

Expertise from outside the Committees membership can be utilised for projects and instruct task groups from beyond its membership to develop specific pieces of work. The Committee has the power to seek external professional advice if they deem it necessary with reference to the Chief Operating Officer for unbudgeted professional fees.

The Committee has discretion to seek input from the wider staff team as deemed necessary.

Risk Management

The Committee will review the Risk Register as it relates to its key responsibilities, at least once per year, but will add additional risks as and when they arise.

Data Protection

The Committee will comply with data protection regulations (GDPR) and uphold URC guidelines and best practice with regards to data processing.

Appendix Four – Phasing of Contributions vs Awards

- Prospective projects for CLF awards may not be ready to make applications to the CLFC until Q3 or Q4 2026 at the earliest
- Contributions from Synods / Synod Trust companies may well be budgeted for an initial three years (2026, 2027 and 2028)
 - Trusts will almost certainly prefer to stick with that rather than shift the funding back by a year
- This may well mean that the CLF has significant funds accumulating during 2026 and only starts seeing draw-down for grants during H1 2027
- The suggestion is that we should therefore move away from the messaging that the CLF is a fund of **£x million a year for an initial three years** and move the URC's thinking towards the idea that it is a fund of **3 times £x million (i.e. the total of the three years of contributions) over an initial period of three to four years**
- This decouples the incoming contributions from the anticipated grant spending and makes it explicitly a matter of policy to allow for some projects to be awarded grants (funded out of the initial 3 years' contributions) which run into year 4 (and possibly year 5) even before the Synods' contributions for those years have been agreed

Romilly Micklem
22 July 2025

Appendix Five – Legal Opinion from Mr Andrew Middleton

Considerations for the Church Life Fund.

Overview

This paper considers the structural options for the creation and management of the Church Life Fund (CLF) suggested within the paper 'Proposal to Establish a Church Life Review Fund CLR Steering Group and Finance Working Group – January 2025'. The first (Option 1) is for synods to donate monies to the general charitable funds of the URC (the general funds charity) and for the Charity Trustee (URCT) to designate these to be applied for the purpose of the CLF. The second (Option 2) is for the application of the funds to be for a specific purpose and therefore their application is restricted to this purpose. Funds will be donated for the specific purposes of the CLF either to be held by the charity trustee URCT as a special trust – restricted fund – and applied for those purposes or (Option 3) held and applied for such purposes by a separate charitable body such as a Charitable Incorporated Organisation CIO.

A Charity Trustee must act in the best interest of the charity at all times and has responsibility for the management and control of the charity (S.177 Charities Act 2011). A charity trustee has the power to delegate certain matters to committees e.g. URCT to Business and Resources where specific expertise is required. Despite any such delegation general oversight remains with URCT as the charity trustee.

Charitable funds can only be applied by a charity trustee towards the advancement of the charity's charitable objects.

Option 1.

The URC general funds charity and designation

1. The URC general funds are held and applied by URCT as the charity trustee of the general funds charity in accordance with the charitable objects of the fund. The charitable objects of the general funds charity are 'To advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church.' In the exercise of its discretion as charity trustee URCT takes account of but is not bound by resolutions of General Assembly and the Assembly Executive.
2. Funds donated to the URC general funds charity (e.g. M & M, legacies, synods and others) with no restriction on their application by the Charity Trustee will be added to the general funds charity and will be available to be applied for the advancement of its charitable objects.
3. The Charity Trustee has the discretion to set aside 'designate', a portion of the general funds to be applied for specific purposes it identifies as appropriate which accord with the charitable objects of the funds. Doing this 'ring fences' funds that have been designated and creates a designated fund.
4. Such a designation is not permanent and can be removed by the charity trustee as and when it is considered in the best interest of the charity to do so.

5. URCT as a corporate charity trustee can enter into contracts with third parties in its capacity as charity trustee for the provision of services being described as 'URCT acting as charity trustee of the general funds charity of the United Reformed church.'
6. Should the need for the CLF cease, subject to the discretion of the charity trustee the designation would be removed and the funds subsumed into the general funds of the URC The charity trustee may also take account of the wishes of the donors and distribute any surplus donated funds in accordance with those wishes.
7. To designate general funds by URCT makes use of existing structures to hold and manage the funds.
8. The CLF can be created at a time that suits the denomination and use existing infrastructure.
9. Designation permits flexibility. Funds can be used for other purposes as required e.g. if it is decided by GA that a portion of the CLF should be applied for a more restricted CLF purpose there can be an additional designation for that, or a portion can be released.
10. With designation also comes a lack of control by donors over the application of the funds donated with a reliance on the discretion of the charity trustee.

Options 2 & 3

Funds donated for a specific purpose with the application of those funds restricted to that purpose (a restricted fund)

1. If funds are to be donated in a consistent manner for a specific purpose that purpose needs to be clearly identifiable.
2. The purposes of the CLF fund (its charitable objects) therefore need to be clearly identifiable.
3. The purposes and application will be subject to the wider charitable objects of URC namely, 'To advance the Christian religion for the benefit of the public in accordance with the doctrines, principles and usages, and the Scheme of Union of the United Reformed Church.' The CLF fund will be charitable.
4. When donating, donor synods will specify that funds are donated for the specific and agreed purposes of the CLF. The stipulation restricts the application of the funds by the charity trustee to those purposes
5. Donors can also specify what should happen to the funds in the event that the CLF is discontinued.
6. Funds can be donated for restricted purposes in two ways:

Option 2

- i. Funds donated to URCT for the CLF purposes to be held by URCT as charity trustee, as a special trust fund, and applied and accounted for by URCT in accordance with the restricted purposes of the special trust fund.

- ii. As a special trust fund, provided the criteria for charity registration have been met an application to the Charity Commission may be necessary to link the special trust to URCT or;

Option 3

- i. Funds donated to a separately formed charity with the objects of the CLF, the funds being held and administered by its charity trustee (URCT) in accordance with its objects i.e. those of the CLF fund.
- ii. If the criteria for registration are satisfied registration with the Charity Commission will be necessary.

Summary

The main differences between the options are risk, flexibility and timing. In respect of risk this is something that each synod will have to determine.

Option 1 provides for funds to be donated to the URC general funds charity and applied by the charity trustee, URCT, in accordance with the charitable objects of the fund. Risk always has to be assessed in a balanced way within the context of any given situation and after considering all factors. A risk with option 1 is that circumstances may change and the designation could be removed by the charity trustee with the funds being applied for other general purposes if considered to be in the best interest of the charity.

Option 2 makes use of existing structures and relationships with donated funds being held by URCT as charity trustee in a special trust and applied in accordance with the objects/purposes of the fund. The charity trustee is not able to apply them for any other purpose.

Option 3 provides the same security to donors and beneficiaries by the creation of a separate independent charity with its own charity trustee, structure and constitution which will provide for dissolution.

30.9.25