



# Lowest Income Communities Funding

*March 2026*

## The story of LInC Funding in Leicester Diocese

In years gone by, there was an amount of money given from the national church to the diocese to help pay towards the cost of clergy. It was allocated using something called the “Darlow formula” and was put into the diocesan account and used to support the costs of paying clergy stipends across the diocese. In 2017 the national church stopped using the Darlow formula. It was replaced by Lowest Income Communities Funding – known as LInC funding. The idea was to try to ensure that ministry within deprived communities across the country was financially supported.

In Leicester Diocese, the amount of money we started to receive as LInC funding was pretty much the same as what we used to receive under the Darlow formula. This has been about £1million each year. This meant that our overall budget for paying for stipendiary clergy remained the same, so we didn’t see anything much change in practice. Each year the diocese has to report to the national church with a list of the parishes and how much LInC money had been spent there on clergy stipends. Every year we could show that the amount of LInC money made up the difference between the cost of stipendiary clergy and Parish Contributions paid, across a large number of deprived parishes. In some other dioceses, they use a different system for “Parish Share” whereby each parish is given an invoice and told how much they need to pay to the diocese. In these dioceses, LInC funding would have been seen on that invoice as a deduction. In our diocese, we have an offer-based Parish Contribution system, so the LInC money was only seen in the annual diocesan accounts.

In 2023, the Bishop’s Leadership Team decided that we needed to do some work to ensure that we were making the best possible use of our LInC money. We were also aware that conversations were happening about Minster Community formation, including around finances and stipendiary clergy costs. A working group was set up with some diocesan officers and some representatives from deprived parishes. There is not enough LInC money to pay for a stipendiary post in every deprived parish, therefore we need to have an agreed policy about where and how we use the money. The group discussed various challenges of ministry in deprived communities and considered a wide range of options. The result of this was a recommended policy for allocating our LInC money to our most deprived parishes using the Index of Multiple Deprivation

and taking into account the size of the population in each parish. This policy was agreed by the Diocesan Board of Finance.

Since 2023, we have been sharing the allocations of LInC funding determined by this new diocesan policy with parishes, as part of the Minster Community formation process. These allocations show how much LInC money the diocese now wants to spend, according to our new policy, on stipendiary ministry in each parish. In some parishes this is straightforward, because there is a stipendiary clergy role in place, and the LInC money covers some of the cost of this stipend alongside Parish Contributions. In other parishes, there is LInC money allocated but we haven't yet been able to make new clergy appointments. In these cases, the LInC money is not sitting unused, but is supporting clergy costs in parishes that have some deprivation, but do not qualify for LInC allocations under the new policy. It will take a bit of time to work through a transition, where new stipendiary clergy appointments are made to ensure that all those parishes with LInC allocations are receiving appropriate levels of stipendiary ministry. This will happen within the context of the local Minster Communities, and parishes can put forward ideas about what kind of ministry they would want within their Minster Community proposal.

From 2026, the national church has increased the amount of LInC funding we are receiving, by about £350k. The original LInC working group has considered how best to ensure this extra money can help to provide additional ministry to some of our most deprived parishes. The details of this are still being worked out, and information will be shared as soon as decisions have been made.

## LInC Funding FAQs

### 1. What is it?

The diocese currently receives funding from the Archbishops' Council in relation to low-income communities. This funding is to help dioceses support ministry within the most deprived parishes.

The Archbishops' Council currently contributes £1.5 million towards the mission and ministry costs in our most deprived areas (where deprivation is calculated using the Index of Multiple Deprivation). This £1.5 million is known as Low Income Communities Funding (LInC).

### 2. What is it for

The diocese uses the money received to support churches in more deprived areas to support stipendiary ministry costs. It has been budgeted to cover the cost of supporting clergy in the diocese.

The 2022 Independent Review highlighted that across the Church of England, LInC funding supported 1,700 parishes, maintaining 'a significant number of clergy posts in poorer parishes that would otherwise be lost.'

We have received about £1m of LInC funding since 2017 and it has supported stipendiary ministry in many of our deprived parishes. In 2026, the amount of LInC money we receive was increased by about £350k. Work is currently underway to discern how we make best use of this increased amount of money to provide additional stipendiary ministry in some of our most deprived parishes.

### 3. How do I know if my Parish Benefits from this money?

Through the process of forming Minster Communities, we are sharing specific details about allocating LInC funding to the parishes involved. This information shows how the money would be allocated if all our Minster Communities were already formed. If you would like more information, please get in touch with us.

### 4. Will this money continue in future years?

The Archbishops' Council have committed to supporting dioceses to provide strategic mission and ministry investment in deprived areas until 2031. After this date, we are unsure what new commitments will be made.

### 5. How is the allocation calculated?

LInC allocations are made to parishes containing communities within the 20% most deprived in the country. This includes those with overall levels of deprivation, but also with a recognition that some parishes contain "pockets" of significant deprivation

- a) Those parishes that are in the 20% most deprived in the country according to IMD ranking.
- b) Those parishes that contain smaller areas of population (LSOAs) that are within the 20% most deprived in the country.

## 6. Why does the Parish not get given the money directly

LInC Funding is given to the diocese to support ministry in deprived parishes. To date, LInC funding has supported the ministry in many parishes. We are continually reviewing how best to use this money to support deprived parishes.

## 7. Does this mean my deprived Parish doesn't have to pay as much Parish Contribution?

We encourage each Parish to take financial responsibility for the ministry it receives, while also recognising that some parishes in more deprived areas are likely to need support in achieving this.

As the funding cycle of the Archbishops' Council cannot be guaranteed in the future, it is necessary to plan towards financial sustainability and, therefore, financial responsibility for ministry within the Parish.

## 8. How does this work within Minster Communities

LInC funding is integrated into the conversations about the cost of ministry provision in the Minster Community formation process.

It is the understanding within Minster Communities that the ministry agreed on during the formation process is a shared responsibility across the entire Minster Community. This shared purpose and unity are at the heart of our mission and ministry.

This principle is rooted in biblical teachings (Acts 2, Acts 4, Philippians 4, 2 Corinthians, 8) of churches sharing their resources to support others in mission, fostering a sense of community and shared responsibility.

LInC funded posts need to be rooted in ministry within these areas of deprivation. Some possible types of support and ministry that LInC funding could contribute towards include leadership for mission, specific skills for the running of churches, or developing children, families and youth ministry.

We are a Church that has several blessings in the diversity of leadership and communities, and this is especially the case when working together with others in the Minster Communities. We hope that this will foster a shared vision to see all people come to know the love of Jesus within our communities.

When our churches show radical generosity to each other and their communities, they show something of the character of God to people. When we are called to be ambassadors of God on Earth, we are called to reflect the nature of God to those around us. When we do this and share our provisions, people in our communities see a church that is reflecting this characteristic of God, and this supports our discipleship in our communities.