Resourcing Mission Bulletin

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Contents

Strategic Resource Allocation in the Church of England

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Every day, different parts of the Church of England make decisions about the allocation of the resources they have available to them. Parishes, team ministries, deaneries, dioceses, the national Church institutions must work out how best to deploy their human and financial resources, buildings and equipment in order to help advance the Church's mission. Individual members of the Church must also take decisions about their resources: of money, time and talents.

This note considers how those decisions should be taken, particularly focused on decision-making at diocesan level and sets out in an annex a framework to help inform those decisions.[1]

1. The Resource Allocation Challenge

A central challenge for businesses, charities, governments and individuals is about making choices in the light of finite resources: we can't do everything, so what should we do? And, more crucially, what shouldn't we do? The challenge of choice applies not only to money but to time, energy, etc.

The risk for any organisation is that its resource allocation is more arbitrary than strategic, where 'arbitrary' =

- doing things as they've always been done (consciously or otherwise); or
- adding inflation onto last year's figures (or taking a bit off); or
- taking decisions merely to balance the views of different interest groups; or
- being influenced by whim or anecdote; or
- allowing the exercise of patronage, or
- basing activity on the untested good initiative in immediate view.

Whereas, 'strategic' =

- intentionally aligning decisions to priorities; and
- basing decisions on evidence rather than intuition; and
- exercising careful judgement between options; and
- assessing every possible use of resources; and
- being prepared to close down some areas of work and re-allocate resources to where they can be used more fruitfully elsewhere; and
- providing a clear accountability framework for the performance of those working for the organisation.

The ultimate goal in choices over resource usage is to allocate funds to where the overall return – in terms of the organisation's objectives – is highest. The marginal return from

[1] The note has been prepared through conversation with diocesan secretaries and other diocesan leaders with responsibility for resource allocation issues, and with a number of Christian economists. It draws in particular on the insights of Prof Peter Johnson, Emeritus Professor of Business Economics, Durham Business School – see, for example, his introduction to the review of mission development funding 2008 at http://www.churchofengland.org/media/57443/MDF%20report.pdf.

the last £ spent in each of the uses should be the same. (If this were not the case, it would be possible by withdrawing money from a lower return usage and placing it in a higher return usage, to increase the overall return.) Thus, when one looks across the piece, one would not want to reallocate funds.

In the commercial world, returns are normally well defined. Indeed, businesses have **legitimacy** for taking 'tough' decisions about resource allocation because it is understood internally and externally that they have to do so to survive and thrive. However much consultation there is within a business – and some companies take considerable care to give their employees a voice – it is recognised that ultimately the Board/CEO must take decisions and there are unpalatable consequences if they get them wrong.

This is not to say that businesses never perform badly – but such performance will normally be clearly identified and dealt with (even if that means the business closing down). Other organisations such as charities can lack this legitimacy and find it difficult to take the decisive action necessary to re-allocate resources away from existing activity, however poor their current performance. Within such organisations, a financial crisis can be the only thing which stimulates discussion about change. It can thus be tempting for people within such organisations to create an 'artificial crisis' to help stimulate change, although the risk is that if there is not any clear vision, the financial crisis will merely lead to a squeeze on existing activity rather than a re-shaping of resources in line with priorities.

There is a clear parallel here for the Church. Its various financial crises (the reduction in Church Commissioners' support in the 1990s, the pension funding problems over the last decade) have led to significant change in aspects of its activity; but the crisis of its steadily declining membership does not appear to have prompted quite the same strategic response in terms of changing its resource allocation (albeit some parts of the Church are pro-actively addressing the challenge).

In view of the Biblical mandate of good stewardship, the Church should take <u>more care</u> to allocate its resources in line with its purposes than other institutions. In reality, although a good deal of consideration is given within the Church to resource allocation issues, the language tends to be guarded and the need to make choices is often implicit rather than explicit. At times, discussions about the Church's mission activity are carried on with little consideration of resource issues.

Yet the Church must face the issue, along with other organisations, that resources are scarce, relative to the demand for them. That might not quite square, of course, with the notion of a God who gives abundantly to His people and to build His Kingdom. As Peter Johnson has said 'This might suggest that shortages of funds are prima facie evidence of misallocation of resources. At the same time, though, exhortations to give sacrificially and generously abound in the New Testament. The availability of funding is dependent on decisions on giving and these decisions, sadly, are not automatic and cannot be taken as given. Where giving falls short of what it should be, choices will have to be made. It is also clear that by the very nature of things, the scale of the task is huge relative to the availability of resources: 'the harvest is plentiful but the labourers are few' (Matt 9). Choice about deployment of resources seems to be implicit in this.'[2]

There is, inevitably, suspicion about using economic language within the context of the Kingdom of God. The Church is often (and perhaps rightly) uncomfortable with the notion

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[2] Ibid.

of 'returns' but, as a good steward, it is called to be focused on the 'harvest' or 'fruit' of its activity. The Church's resource allocation task is to look at the potential harvest or fruit from alternative resource uses. Thus it needs to be clear what it is trying, under God, to achieve. What does it expect to see as the result of its mission? Fruitfulness can be expressed in all sorts of ways. For example, the fruit from ministry to the ill and dying, alongside that of evangelistic work among children or the fruit that might come from the spiritual deepening of the lives of existing church members. But the fact that 'Kingdom fruit' is so varied does not remove the duty on the Church to make choices about resources or the comparisons implicit in those choices.

2. Insights from Other Organisations

Thus the Church can usefully learn insights about resource management from other organisations, business or otherwise, although care needs to be taken to place them within the context of its mission, and re-phrased in its language. Some of these insights are set out below:

The need for **clear vision and leadership and communication** may seem obvious but its importance cannot be under-estimated. There is also the need to back up vision and strategy with a **change programme** i.e. putting someone in charge to deliver the agreed strategy, who has a timescale plan of implementation. The risk otherwise is that the vision remains as just a set of aspirations. It is important also not to be fixated on annual budgets but have **costed longer-term plans** which set out the financial implications of changing strategic direction. This can help lift horizons beyond the maintenance of the status quo and there is always a strong pressure to maintain existing activity.

There is also a need for clear lines of responsibility: Many institutions have decentralised decision-making structures because evidence suggests those at 'the frontline' more effectively assimilate information intuitively about local needs and what works in addressing them. It also enhances the sense of responsibility of frontline staff over resource decisions. For example, the empowerment of individual departments within universities to take resource decisions has been shown to create ownership and incentivise creativity.

It can appear as though there is a binary choice about who should control spending within businesses, charities, or education authorities i.e. there are either remote central bureaucrats who inefficiently squander resources or entrepreneurial frontline leaders who make optimal decisions about performance. But within most organisations, effective resource allocation requires **some centralised and strategic decision-making as well as the empowerment of frontline managers**. Top-down decisions about resources can add value to an organisation, even when field managers have significant budget autonomy, when, for example, the cost of an opportunity that will benefit the whole organisation is larger than the budget authority of frontline or middle managers. Or in a situation where current investors and customers like things as they are and therefore have few incentives to provide additional resources for new activities. Or disinvestment from existing activities is required, but meaningful incentives exist for decentralized decision-makers to continue funding them.

Thus many organisations will retain central resources to invest in strategic change, as well as delegating responsibility downwards. For example, within universities, where departments have been empowered to make decisions, some resources are 'top-sliced ' to invest in excellence and help turn round failing departments (or hasten their death). Making explicit the responsibility given to departments in respect of resource allocation, has also helped clarify what the 'centre' is for.

The use of **metrics** is also vital. Effective resource allocation requires some assessment of the returns being generated from current resource usage i.e. some sort of measurement of outcomes. Measurement can be very problematic. The measures can be only very partial, they may distort the behaviour of those involved, and can tend to emphasise the measurable and the shorter term. It is also important not to confuse outcomes and the resources required to generate them, even though the latter may be more easily identified and measured. For example, the number of police officers is not – or should not – be an indicator of police effectiveness. (In the same way, an increase or otherwise in the number of clergy or youth workers is not the same as an increase in ministry effectiveness.) Nor should the measures of outcomes be confused with the outcomes themselves (achievement of certain health statistics do not necessarily equate to good health).

But provided organisations are aware of all these issues, measurement can play a useful part in assessing returns. Indeed, it is extremely difficult to manage what cannot be measured. In many cases, quantitative measures are the most appropriate to use in order to inform judgements about effectiveness. Elsewhere, measurement may be less precise although just as informative. For example, in universities, the work of staff and departments is often measured on a 'low-medium-high' assessment based on peer review, and this is used to guide resource allocation decisions and ensure accountability over performance.

Another important resource allocation point is that businesses and other organisations seek to ensure that their **incentive structures** (which include but go beyond remuneration) are aligned with their priorities. Many organisations will experience a gap between their intended and realised strategy because the incentive structures of those implementing the strategy or existing customer demands take it in a different direction from intended or serve to retain the status quo.

3. Challenges for the Church

Whilst the focus of its members is predominantly at parish-level, the Church of England is organised for mission and administrative purposes into dioceses, led by diocesan bishops. Very broadly, the Church's funding in the 18th century relied on local endowments; in the 19th and 20th centuries, these assets were then collected together and administered at national and diocesan level. Yet now the Church's resources are primarily drawn from the voluntary act of giving by its members to their local parishes. Each member of the parish church has the discretion over whether to give money to it or not (as they are free whether to attend it or not).

It is difficult within the Church's financial system to pinpoint who has responsibility for the different aspects of resource allocation. This is demonstrated by the fact that, although diocesan boards of finance have the legal responsibility for paying parish clergy stipends and pensions, they primarily rely on parishes for their funding. There is a fundamental disconnection within the system between responsibility for decisions about ministry and decisions about funding it. This can serve to create a <u>lack</u> of responsibility for decisions among those operating within the system, at parish, diocesan and national level.

The gulf between decision-making in relation to ministry/mission expenditure and that in respect of income generation provides little incentive to financial giving: because there is a lack of transparency over the true cost of ministry and a lack of ownership over how the funds generated by member giving are deployed. Parish share systems are often regarded as taxation systems, despite their voluntary nature, and despite the fact that the 'tax' involved may in reality involve a parish receiving a subsidy in relation to the true cost of its ministry.

The trend in recent years has been towards ***local responsibility* for mission and finance** on the premise that local churches have knowledge about their context in a way that cannot be assimilated at the 'centre' (i.e. the diocese or national Church institutions). And that greater ownership over resource allocation decisions incentivises local energy, creativity, entrepreneurism and generosity. A close connection between income-generation and expenditure decision-making can enable donors to see the impact of their giving and stimulate higher rates of giving. The risk of 'central bodies' intervening too much in resource allocation decisions is that they provide a disincentive to local mission action.

This trend towards local responsibility manifests itself in several ways:

- Sustained effort by diocesan leaders to consult locally on mission and financial issues in order to be responsive to their 'funders'.
- Delegation of decision-making over clergy deployment and parish share payments away from the diocese to a more local level (parishes or deaneries), leaving the diocese to hold the ring between locally developed strategies.
- Changing parish quota systems so that the sums requested of parishes or deaneries bear greater resemblance to their 'true costs', and
- Ensuring the systems involve less 'taxation' of growth i.e. so that those parishes growing in numbers (and income) are not automatically 'penalised' with higher share requests; or
- Moving to an 'offer' system whereby there is no parish share formula and parishes (or deaneries) are free to pay what they want in the light of knowledge about their costs, thus working with the grain of the voluntary nature of giving.
- Providing direct subsidy to parishes which cannot pay their full costs and linking funding decisions to assessment of their mission plans which make some judgement about their 'viability' and 'effectiveness', rather than mechanically 'hiding' the subsidy provided within the parish share formula system. This underlines the responsibility upon parishes for mission and resource planning.

These steps have the potential to give real responsibility to parishes and deaneries for resource allocation decisions as long as there are not too many constraints on the decision-making. Otherwise the responsibility has little meaning. (For example, telling deaneries that they have responsibility for clergy deployment but denying them the opportunity to *increase* their numbers (even where they have the funds to do) places a significant constraint on their freedom to act.)

Although there is a good case on efficiency grounds for giving responsibility for resource allocation decisions to parishes and deaneries, the ecclesiology of the Church of England demands that the diocese – led by the diocesan bishop – retains oversight of such decisions and there is some shared responsibility for resources within a diocese, in line with the following principles[3]:

[3] These are largely drawn from the principles used by Toronto diocese to inform its resource allocation decisions – see http://www.toronto.anglican.ca/images/up-Sustainable_and_Strategic_Ministry_Policy_2004.pdf

- The mission of the diocese calls everyone to use the gifts God has entrusted them for the benefit of the Church's work in extending the Kingdom and to the glory of Christ throughout the diocese.
- Arising from this shared collective mission, there is a collective obligation of stewardship that requires everyone to work together to ensure that ministry within the dioceses is as healthy and vibrant as possible.
- Parish boundaries have been created under diocesan authority (subject to national oversight) to provide a gathering place for worship in the community and to serve the local community as a local expression of ministry and mission. The parish church is tangible evidence of the Church's mission and of God's reign here on earth. Although parishes have a fairly autonomous form of governance and management, the parish always exists in the context of the mission of the diocese, led by the diocesan bishop. It delivers ministry to the local community on behalf of the whole diocese. Thus, the parishes and the diocese always exist and work together in mutuality of interest.
- Parishes and congregations are not permanent structures. They have a life cycle. They are planted; they grow; sometimes they die; sometimes they transform. There is a mutual stewardship responsibility, shared between the local ministry and the rest of the diocese, which obliges them to work together through all stages of the life cycle. This goes beyond congregational self-designation and self-determination. This responsibility includes a discernment of what to do when a ministry has insufficient resources and when it can call upon the resources of the wider Church.

There are also efficiency reasons why diocesan leaders should retain a role in resource allocation e.g. to retain an overview of where resources are being allocated and ensure there is adequate investment in areas of need and opportunity, and to provide services where diocesan activity can add value because there is economy of scale or 'market failure'. Whatever the balance between local and diocesan responsibility, all dioceses have a role in the following resource allocation decisions:

- The deployment of clergy.
- The training and support of clergy.
- Investment in sector ministry.
- Consultancy and administrative support of parishes.
- The contribution asked of each parish to pay towards ministry and support costs – and thus the indirect subsidy/donation it receives from/makes to other parts of the Church.
- Grants/loans given direct to parishes.
- Merging parishes and selling surplus assets.
- Investment in new opportunities.
- Recruitment of new ministers.
- Enhancing value through asset management and/or fund-raising.

How can a diocese, led by the diocesan bishop, ensure that these decisions are taken strategically?

4. Strategic Framework

The annex to this note sets out some questions which together provide a strategic framework for any individual decision to allocate resources in the form of X (a clergy person, youth worker, financial subsidy etc) to Y parish (or fresh expression or deanery). Some illustrative responses to the questions are set out in italics.

Although the resource allocation process should not determine the Church's objectives, it can help refine its thinking about its aims. The key aim of the framework is to aid the Church's prayerful discernment about resource options such that every decision taken yields the best result in terms of the objectives which the diocese is trying to achieve. What use of resources will be most fruitful? What will most enhance the outcomes we are seeking?

The operation of the framework – and the ability of diocesan leaders and staff to answer the questions within it – **requires a number of things to be in place**:

1. **A clear strategy,** with **measurable outcomes** to enable progress to be monitored, and a robust (and sufficiently-resourced) **delivery programme** to make it happen, and **clear lines of accountability** for those responsible for doing so. The Church does not, of course, have a 'top-down' decision-making structure as other institutions have, which reflects both its ecclesiology (and particularly its dispersed authority) and the voluntary nature of its funding. Thus, the legitimacy of its resource allocation decisions depends in large part on its ability to build up shared ownership about its objectives.
2. Systems to provide **effective analysis of data**: to understand the impact of existing resource usage and help planning in relation to future resource allocation.
3. An important part of this analysis is for a diocese to **assess the existing mission health and financial viability of its parishes** (where the vast majority of the Church's resources are currently located).[4] This can provide an objective framework to assess the potential to re-allocate resources from non-viable parishes for investment in new opportunities and/or existing areas of strength.
4. An **evidential base for decisions**: so that, for example, the decision to invest in a youth worker or church plant or team ministry is founded on evidence that such types of ministry/mission will prove effective.
5. Ensuring **decision-making is intentional not mechanical, or at the very least transparent**. Although a parish share system requests funds from parishes, it effectively allocates resources to parishes since the formula within the system will invite any single parish to pay more or less than its ministry costs and share of other costs. Thus, that parish will effectively be a 'donor' or 'recipient' of diocesan funds. The risk is that this resource decision is hidden within the system. Even if a formula is deemed the best way to allocate resources, it is important that there is transparency about which parishes are being subsidised or are providing a cross-subsidy.

5. Opportunity Cost

The most important – and difficult – component of the framework is the need to assess possible different uses of resources i.e. **the opportunity cost**: the foregone alternative resulting from a course of action. As highlighted earlier, the ultimate goal in choices over

[4] A description of how two different dioceses have undertaken such an exercise can be found at http://www.churchofengland.org/media/34392/healthandviability.pdf (on London diocese) and http://www.churchofengland.org/media/57304/resourcing%20mission%20bulletin%20-%20all%20papers%20-%20july%202010.pdf (Toronto diocese). A more detailed guide on health and viability assessment is being prepared by the Strategy and Development Unit.

resource usage is the allocation of resources in such a way that the overall return – in terms of the objectives of the organisation doing the allocating – is at its highest. Thus, looking across the piece, one would not wish to reallocate any resources across the different possible uses. The key point is that it is not simply enough to show that some 'good' comes from the use of resources in a particular way. The question is whether more good might come from an alternative use. **The aim is to discover not a good but the best outcome**.

Thus it is of crucial importance to make comparisons across different uses of resources, looking at existing uses as well as potential new ones. It should also embrace comparisons across uses that have different time horizons or that have different levels of risk attached to them.

Yet the temptation in the Church is to look at different areas of resource allocation in isolation from each other, or sequentially, without looking at the overall picture. Something may be seen as 'good' in itself – and resources allocated to it –without much consideration of how it will be resourced and what implications it may have for other areas of ministry. Furthermore, there is a strong tendency to regard existing patterns of resource allocation as being optimal.

The concept of opportunity cost is particular relevant to the Church since it is currently investing heavily in patterns of ministry which are engaging little with the nation. In Jesus' parable, the shepherd was focused on finding the one sheep out of his flock of a hundred. The Church of England's ministry is focused on the couple or so out of a hundred which currently attend its churches. Granted some are members of other denominations, what about the huge numbers left?

The Church continues year by year to put a huge effort into keeping the existing show on the road – and will probably be able to do so for some time yet. The risk is that those bits of it which are in financial difficulty will drag down those parts which are thriving – and thus the whole Church – simply to keep the existing show on the road. The Church's mission calling to engage with the whole nation seems to require a radical re-shaping of the use of its resources rather than maintaining or tinkering with existing patterns. What could or should it be doing instead?

The Church generally has not been good at developing and implementing 'exit strategies' but addressing poor performance or non-viable areas of ministry is vital if sufficient new resources are to be released to help advance its mission. It is counter-cultural also for the Church to invest in existing strength and success but, again, this is essential, if it is to take its mission forward.

There are a number of practical ways a diocese can help ensure it answers that question around opportunity cost. First is to undertake an **objective analysis of current health and viability** (as mentioned earlier), since this will reveal the potential to re-allocate resources to new opportunities. Second, **develop criteria or tests to help weigh all the possible options for the use of the resources side by side.** For example, to have a 'growth test' – is spending £50,000 on X, Y or Z more likely to produce the highest return in terms of church growth?

Third, **build discretionary capacity within the diocesan budget to invest in new initiatives and/or existing areas of strength**. The downside of local responsibility for mission and resource planning is that there can be little incentive for parishes to change, where they are financially viable. And the resources a diocese has available (from endowment income, fees or cross-subsidy from parishes) may be largely invested in existing ministry patterns. What it requires is some 'development funding' in order to invest in new opportunities, using its historic income, support from the national funds managed by the Church Commissioners or by re-allocating surplus capital (from non-viable parish buildings or spare parsonages).

Fourth, **take advantage of existing structural flexibility.** As noted earlier, all organisations can experience a difference between 'intended strategy' and 'actual strategy' because of internal or external factors which prevent efficient resource allocation. The Church of England's legislative structures do not, as a general rule, help incentivise such efficiency. They often result in there being a structural separation between income generation and expenditure decision-making. Moreover, the freehold possessed by many clergy, and the complex process for changing parish boundaries, closing churches, and planting new ones, can all prevent resources being allocated in a way which achieves the best outcome within the context of a diocese's strategy. It is obviously difficult to re-allocate resources where it is hard (or even impossible) to get rid of poorly performing ministers or close down non-viable parish buildings.

That said, there is often more flexibility within the current legislative structures than may look apparent e.g. in terms of re-organising ministry patterns. The recent legislation authorising bishop's mission orders in relation to church plants has created further flexibility. It is important to exploit what freedom there exists. But there is no denying that the Church needs to look again at its legal structures to examine how they might be changed to help facilitate better resource decision-making.

The blockages to efficient resource allocation in the Church may be strong, but they only serve to deepen the need to have a strategic framework to guide decision-making so that the Church can take intentional strides towards its goals. The aim of this note has been to help dioceses think through such a framework.

PRAYERFUL DISCERNMENT

What is the overarching goal of the diocese in line with the Church's mission to honour the true and living God and make disciples of all nations? *Spiritual and numerical growth? A Christian presence in every community?*

Is there any target (or targets) designed to measure achievement of this goal? *Growth of x % in average week attendance over next five years? Growth in number of people served by community projects?*

What are the values of the diocese? *A bias towards the poorest? Fairness? Mission-focused? Local knows best?*

What is the current performance of the diocese in relation to its mission and goal? *What are the trends in adult and children's weekly attendances or in the number of people attending enquirers' courses or church community projects?*

Have specific themes been set to inform the allocation of resources? *Children's and youth work? Increase the number of church plants? Develop church community in new housing development?*

Is there evidence that allocating resources for the purpose of X is effective in terms of achieving the diocese's overarching goal? *Does investment in children's work/church planting lead to Church growth? Are certain leaders better able to lead churches into growth?*

Has there been a systematic assessment of the mission and financial health of the parishes in the diocese to help guide resource allocation i.e. so that resources are allocated only to those parishes which have mission and financial health or which are on their way to health or which because of particular reasons (e.g. socio-demographic factors) are deemed to be deserving of financial support?

On the basis of the above factors, will the decision to allocate resources in the form of X to Y parish help achieve the diocese's overarching goal, and is it in line with its values and themes?

Would a different allocation of resources (e.g. in the form of X to a different parish or in the form of Z to Y parish) have a greater impact in terms of achieving that goal?

PRAYERFUL DISCERNMENT

Improving Spending Decisions

by the staff of the (Resource) Strategy and Development Unit

1. Introduction

In January, the Centre for Social Justice published a report titled 'Outcome-Based Government: How to improve spending decisions across Government'. The report examines how the government can measure more effectively the improved social outcomes which it seeks to achieve.

Much of the report is of interest to the Church and, indeed, any organisation which seeks to ensure that its resources are allocated and used effectively.

This note sets out, very briefly, the report's main recommendations. Readers are invited to reflect upon them in the context of the ways in which spending decisions are made at the various levels within the Church.

2. Overview of outcomes-based approach

The report cites a new approach to public spending, which is starting to take root in government bodies and non-government organisations in the UK and abroad, called 'evidence-based policy making'. Closely related to this approach is the Social Return on Investment (SROI) which is becoming more commonly used in the UK voluntary sector. The common aim of these approaches is to maximise the value of the social and economic outcomes produced by a given level of expenditure.

The report argues that government needs a systematic and consistent method of valuing outcomes, in order to prioritise between them and guide consistent decision-making across departments. However, the current tendency in government is to confuse outcomes with outputs. For example, politicians tend to focus on increases in government departments' resources and activity (i.e. outputs) – more policeman, more hospitals, more teachers - rather than on the improvements in social outcomes which these resources are supposed to produce. The government has operational control over outputs: it can change its activities in order to influence waiting times in hospitals, the number of police on the streets and the number of job seekers in employment programmes. But the government can only influence outcomes such as public health, public safety or the employment rates. Nevertheless, such outcomes are the ultimate objectives of policy and so, as far as possible, they should be differentiated from operational outputs.

The report defines inputs, outputs and outcomes thus:

Inputs are the amount of resources required to generate an output, and measured in terms of their cost, i.e. hours worked, space rented, materials used.

Operational outputs are the item or activity generated by an input. Outputs are usually finite in number, easily measurable and can be directly influenced by government policy, i.e. flu vaccinations, training places, nurses.

Social outcomes are the change in society resulting from an output. Outcomes cannot be directly influenced and are usually harder to measure. However, a change in society can be measured by using appropriate indicators, i.e. the outcome 'improved health' can be measured by the indicator life expectancy.

The report argues that government objectives need to be cast in the form of outcomes: that is, in terms of the changes that we want to see in society. It holds that, without clear objectives, it becomes impossible to align an institution behind a shared goal, or to hold it to account for its performance in achieving it. Policy makers, by being vague about the outcomes they want to achieve, have a tendency to shift the goal- posts and declare policy success based on the outcomes that were achieved rather than the outcomes that were intended. This fails to improve the quality of decision-making, reduces trust and politicises decision-making. Without a very clear view of what outcomes are being aimed for, and how much we value them, there can be no consistent way of deciding how to apportion the available funds.

3. Recommendations

So, how can the move to an outcomes-based approach be achieved? The report makes the following key recommendations:

i) Clarify Objectives

First, objectives must be clarified. It is necessary to:

- Articulate a clear set of outcomes that defines what the priorities are (since the list of goals is potentially endless, a consistent mechanism for prioritising outcomes is essential).
- Organise the outcomes in a clear hierarchy, so that operational plans can flow from them. Operational plans should be evaluated against how effectively they deliver outcomes.
- Establish a set of indicators to measure and quantify changes in the outcomes.
- Agree outcomes and indicators which are comprehensive, relevant and manageable.
- Value outcomes in terms of their fiscal, economic and, where possible, their social impact (including by recognising the impact which effective work in one area of policy has on other areas of policy).

ii) Measure Productivity

Productivity should be measured systematically. This is necessary in order to understand how to deliver the outcomes as cost-effectively as possible. Resources should be allocated where they will deliver the most value and spending decisions made based on the productivity of that expenditure. This can be achieved by:

- Standardising cost accounting and reporting, with a focus on the unit cost of an activity.
- Systematically measuring outputs and using empirical evidence to link outputs to outcomes.

- Departments working together to achieve outcomes, taking a broad view of productivity, sharing information effectively and valuing outcomes consistently.
- All funding requests being made on the basis of a clear 'productivity assessment', linking activity cost to outputs, outputs to outcomes and outcomes to their overall value. The productivity case should be used to set targets based on the value of the outcomes delivered. The targets should be evaluated based on the strength of evidence in achieving outcomes, their values and the timescales against which they will be achieved.

iii) Rigorous Decision-Making

Decision-making must be rigorous, with a move away from a culture that focuses on the size of a departmental budget and which has limited consequences for failure and towards a culture that focuses on effectiveness.

Good governance must include:

- Issuing effective central guidance to enable a consistent, analytical evidence-led approach to spending to be rigorously followed as part of the decision-making process (rather than after the fact).
- Rewarding good policy and spending decisions, and holding officers to account when their decisions fail to improve outcomes.
- Incentivising a focus on cost-effectiveness and tightly linking financial and performance rewards to success and failure in delivering departmental business plans.
- Putting in place a common framework for assessing policy (and its implementation) to enable providers to compete on the basis of ability: that is, whoever can deliver outcomes cost-effectively.

iv) Delivery and Evaluation

Delivery and evaluation must be improved by:

- Improving delivery capability and accountability to focus on outcomes. Clearly defined, measurable and valued outcomes are required, with indicators that are linked to top level outcomes and reliably and regularly measured. This should encourage departments to achieve Government outcomes rather than departmental outputs. Departments should be encouraged to work together to achieve outcomes, and split funding based on their relative contributions.
- Improving the quality of management. Departments must be guided by the business case when implementing programmes and the business case should set its own targets and timelines for achieving outcomes, as well as define how key indicators and metrics will be monitored. Delivery organisations have to be aware of and contribute to the evidence, and execute programmes with fidelity. Changes to implementation need to be justified in the context of both improving outcomes and supporting programme evaluation. Private and voluntary sector providers should deliver to a minimum standard and be evaluated against the cost-effective delivery of outcomes.
- Improving internal monitoring and evaluation. The implementation of programmes needs to be monitored against the business plan that originally led to funding approval. Evaluations of existing outcomes need to be peer reviewed, and used to

build up a body of knowledge so as to improve the effectiveness of policy and its implementation.

- The report notes that, in the absence of effective evaluation, unproductive spending will continue to be justified on weak grounds and opportunities to improve both policy and service delivery will be missed.

v) Strengthen Institutions

Institutions – and their culture and their capabilities – need to be strengthened. The necessary skills are required to carry out robust analysis but cultures have to become more open to scrutiny, both internally and externally. The leadership should be guided by the evidence and align all levels of government to work together to achieve desired outcomes. In particular, it is necessary:

- To build analytical and financial capabilities within departments. The ability to allocate funds and to spend effectively is dependent on financial and analytical skills, since it relies upon understanding cost-effectiveness. The lack of market signals makes the need for robust financial and analytical skills even greater in the public sector than in the commercial world.
- Improving and expanding finance capabilities can produce significant efficiencies. For example, when DEFRA began to treat the analysis of its core spending decisions in the same way as programme spending (which is closely monitored), it was able to make significant savings and generate a budget surplus for use as a contingency fund.
- Develop a more open and challenging culture, focused on achieving cost-effective outcomes. Policy ideas should be encouraged at all levels and externally, submitted with supporting analysis. Competing policy ideas should be evaluated on a consistent basis. And a proportion of Government expenditure should be set aside for an Innovation Budget, to fund and nurture exceptional initiatives that lack the evidence to demonstrate effectiveness, but which nonetheless show promise.
- Set up an independent body to scrutinise and strengthen decision-making.

4. Conclusion

This paper sets out very briefly the key findings and recommendations of the Centre for Social Justice's paper on Outcome-Based Government. The executive summary can be found at:
http://www.centreforsocialjustice.org.uk/client/downloads/20110124_ESSROI.pdf

and the full paper at:
http://www.centreforsocialjustice.org.uk/client/downloads/CSJOutcomeBasedGovernment_final2_WEB.pdf

Diocese of Carlisle

Parish Offering System

by the staff of the (Resource) Strategy & Development Unit

in consultation with Derek Hurton, Carlisle Diocesan Secretary

1. Introduction

In 2008 Carlisle diocese introduced an offer-based system for raising finance from its parishes, in place of a formula-based system. Each year parishes are asked to make informed and generous offers towards the cost of ministry in the diocese. The process for informing and making these offers includes discussions at diocesan level between deanery representatives; discussions at deanery level between benefice/unit representatives; and the provision and use of relevant information.

This paper sets out the disadvantages which the diocese identified with the formula-based system and explains how the new parish offering system operates. The paper concludes with the diocese's assessment of how well the new system is working so far.

For background information some facts and figures about Carlisle diocese are set out at **Annex 1**.

2. The Formula-Based System

In 2005, Carlisle diocese ran a 'Resourcing Revival' consultation. During the consultation, many parishes raised complaints about the formula-based system for collecting finance.

The system was based on the principle of "Equal Generosity". The formula – which included a socio-economic weighting - was designed to calculate what would represent equal generosity by all parishes. The views expressed about it included:

- It taxed growth and also taxed increases in income.
- Funds raised for specific projects were taken away in increased share.
- Year to year variations for a given parish were too great.
- It asked too much from the richer parishes – in some cases over half of share paid was subsidy to other parishes
- It resulted in unrealistic share assessments (>100% of current income for a minority of parishes).
- It was too complicated.
- Nobody seemed to accept the validity of the socio-economic weighting.
- Members could not associate what they paid with what they received.
- Some parishes – especially small ones – were unable to pay their share as well as keep the church building in repair and services running.
- It encouraged "devices" to keep monies received out of the share system.
- There was no incentive to direct resources into those areas where they would have most effect e.g. to consider alternative models of ministerial deployment or pastoral reorganisation.

Although the total amount of parish share paid each year was quite substantially below the total costs of local ministry, many people were unaware of this fact. The general perception was that of parish share as a tax that was disconnected from funding ministry. Thus, many parishes resented payment of share, or at least did not pay it with a glad heart, and a substantial minority of parishes failed to pay in full.

3. Moving Towards Change

The diocese commissioned a review group in 2006 to make recommendations for reforming the system.

The review group agreed that the diocese should start from scratch with a system that moved away from a formulaic approach and instead engaged parishes/benefices and deaneries in an informed dialogue about clergy deployment and how to fund it. Instead of parish share being perceived as a "tax", deaneries and parishes/benefices would be asked to make generous offers towards the costs of ministry. Mutual support would need to be embedded somehow within the system, recognising differences in ability to contribute.

Following detailed consultations on these principles across the diocese - from which a strong theme emerged that there should be no attempt to use a formula to account for differences in ability to pay - the review group suggested a new system based on the following key proposals:

- **In April each year the diocese and deaneries would work together to agree a set of 'Deanery Aspirations' (sums of money to be raised) on the basis of a range of information including data about costs of ministry, relative ability to contribute, and, initially at least, historic levels of payment.**
- **Once these Aspirations had been agreed, parishes (or benefices or teams) would make offers to the deanery towards those Aspirations on the basis of similar information**.

4. Implementation of the Proposals

The review group's proposals achieved the support of the diocese. Offers under the new system were made for the first time in 2008 for payment in 2009. Detailed explanatory leaflets were sent to all deaneries and parishes urging them to be realistic and generous and to trust each other to do their best.

Because the new system relies on parishes to make offers, rather than shifting to a different formula-generated set of figures, the diocese had no need to put in place a formal transition involving phasing etc., although parishes were discouraged in the first couple of years from making offers that were dramatically different to their previous payments of Parish Share. In implementing the new system, it was the diocese's hope that, over time, the system would prompt local thinking that drives change. Some parishes were likely to make greater efforts to pay their costs once they realised what those costs actually were. In other cases patterns of ministry would change to reflect parish and deanery views about what they believed to be reasonable levels of subsidy and generosity.

5. How the Parish Offering System Works

Overview

Each year parishes in Carlisle diocese make offers towards the costs of local ministry in the diocese. The process for informing and making these offers includes discussions at diocesan-level between deanery representatives; discussions at deanery-level between benefice/unit representatives; and the provision and use of relevant information.

The parish offering system was introduced in order to increase substantially the extent to which parishes take responsibility for funding ministry and to increase local ownership. The objective is to encourage parishes and deaneries to take a greater interest in planning and agreeing patterns of clergy deployment. This in turn enables resources to be allocated more effectively because the costs of ministry are clearly identified. The system no longer discourages parishes from growing their income and membership. There is greater in-year certainty about diocesan income.

Parishes are urged to think realistically about the offers they make, in as much as any parish that offers less than the previous year plus inflation is requiring another to increase its offer by more than inflation. No parish can expect to reduce its parish offer from one year to the next without making clear the rationale for doing so and, in theory, being prepared to debate this rationale with other parishes who will have to make up the shortfall. Where a parish is already paying less than its costs of ministry it must recognise that if it reduces its offer in real terms there may have to be a corresponding reduction in ministry.

Specifically, the system is designed to:

- Encourage parishes/benefices and deaneries to take more account of clergy numbers (and therefore costs) when assessing how much they should offer. This is not to say that parishes/benefices and deaneries are each expected to "pay their way". There are great differences in their ability to do so and the diocese is committed to mutual support. But making these costs transparent overcomes many of the failings identified with the old formula-based system. This is on the basis that transparency leads to better allocation of scarce resources. The system does not discourage growth or innovation.

- Continue to encourage substantial levels of mutual support between parishes/benefices and teams in the diocese. The shift from "taxation" to "giving" is based on Christian principles, and the success of the scheme is dependent on the extent to which parishes/benefices and deaneries approach it in a generous Christian spirit. In the debate on the new system at Diocesan Synod, it was stressed that decisions by parishes/benefices to cap their offers at the level of their costs without reference to their ability to support ministry and mission elsewhere would undoubtedly lead to the system failing.

- Make it much more obvious where ministry is being subsidised and where subsidies are coming from. In the long term any system of church subsidy depends on goodwill, Christian duty and mutual accountability and responsibility. Ministry that is subsidised must be accountable for the good stewardship of the resources provided by others; while those who are in a position to give generously have a Christian responsibility to support work in areas where congregations cannot sustain the costs of ministry.

- Make clear the costs of different deployment patterns. The new system helps highlight and therefore encourage debate about the costs of supporting areas where there is potential for growth and the costs of maintaining an adequate level of local ministry across the whole diocese. It shows up disparities such as differences in the relationship between numbers of clergy and the size of the local church-supporting population, and therefore invites legitimate questions about existing deployment patterns.

- Provide a greater role for deaneries as the units against which share is apportioned, and connect deployment planning more closely with identifying where the money will come from to pay for ministry.

Process

The flow chart at **Annex 2** gives an overview of how the parish offering system works. In the first two years of the offering system's operation, the key point in the process was expected to be an inter-deanery forum held in or around April in the year preceding the financial year for which offers are being made. At that meeting, representatives of the Diocesan Board of Finance and of each deanery met to agree a set of 'Deanery Aspirations' that would collectively provide sufficient funds to pay for an agreed level of ministry in the diocese.

This meeting was not designed to put the diocese/DBF on one side and the deaneries on the other. Responsibility for ensuring that the total offered is sufficient falls on the deaneries collectively as much as on the Diocesan Board of Finance. Deaneries must therefore be prepared to discuss and debate how the necessary funds can be raised.

Initially, discussions were informed by data about costs of ministry; relative ability to contribute; and historic levels of payment. Deaneries decided how they involved parishes (or benefices or teams) prior to the forum – particularly whether they wished to obtain firm offers from parishes at the outset, or indicative figures. Whatever the approach taken, deanery representatives needed to be able to have discussions at the forum, rather than coming to the meeting with no room for manoeuvre.

In practice, deanery representatives came to the deanery forum with little scope to offer anything other than a single amount mandated by their parishes and the diocese recognised that there was an inconsistency between asking for "best offers" and expecting negotiation. If parishes genuinely made the best, most generous offers that they could afford, they would not be able to offer more. If they were expected to negotiate then many would simply offer a lower amount in the first round, knowing that they would have to increase in a second round of offers.

As a result, the deanery forum has been scrapped in its original form and in 2010-11 inter-deanery discussions were deliberately divorced from the parish offer process itself. In that year the discussions were designed to help deaneries understand the overall diocesan financial position and each other's needs and ability to pay, rather than to represent a negotiation over an individual year's offers.

Parishes are expected to pay in full the offers they make. There is no contingency fund to provide for underpayment.

Information provided to support the system

In the first two years of the new system, a substantial amount of data was made available to parishes and deaneries to help them develop their offers. This is shown in **Annex 3**. After the second year of the new system, deaneries agreed that they no longer required as much data, and are instead now provided with figures showing the cost of clergy and the historic levels of payment.

Treatment of costs of local ministry

The costs of per capita local ministry are estimated at the beginning of the year prior to the year for which parish offers are being made.

The actual costs may differ from the estimates as figures become updated after the estimates are produced. They are calculated on those clergy units or part-units that are directly involved in local ministry. They do not include any element of "managerial" overhead or support other than the provision of direct training. But they do include the costs of providing and training non-ordained ministry, including reader ministry and commissioned lay ministry.

Sector ministry is excluded from the calculations both in terms of costs and staffing units although small add-on roles are included (typically a day or so of the minister's working week). Where an outside agency contributes to these add-on roles the contribution counts as a credit against the costs of the relevant deanery.

Curates

In an average year there are around 18 curates in the diocese. Curates are perceived in many cases as giving a benefit to the parish in which they serve, but it is debatable whether parishes would choose to deploy them instead of assistant clergy or youth and children's workers if they were fully liable for the costs. The diocese regards curates' posts as training posts. Therefore, although the costs are clearly and separately identified in the costs of ministry, they are spread across the diocese as a whole. Individual deaneries may invite parishes with curates to acknowledge some benefit from their ministry when making their offer.

Fees

Expected income from assigned fees is available to offset the total amount requested from parishes in parish offer. To date, the income from fees has been netted off the total requirement rather than being notionally allocated to cover part of individual deaneries' costs.

Refunds for Vacancies

The diocesan budget assumes that a certain level of vacancies will exist at any time. Any savings on costs resulting from vacancies up to that level do not generate a net saving on the agreed budget. If a greater proportion of posts are vacant than the assumption, then any additional savings accrued are refunded retrospectively to the deaneries in which the vacancies exist.

The refunds are based on the actual cost headings where savings are made: ie mainly stipend, NI and pension costs and some housing costs. Clergy vacancies do not have an impact on areas of cost such as ordination training, the cost of curates in training or costs of reader ministry.

Refunds are made in proportion to the amount actually contributed by the parish where the saving was made, so that the refunds cannot be greater than the saving actually made.

The refund goes to the deanery as a whole because the deanery provides cover for vacancies. It is for discussions within the deanery to determine how much of any refund actually goes to the parish concerned. Savings are refunded retrospectively, i.e savings from vacancies over and above the budget assumption in 2011 will be refunded to deaneries in 2012 and so on. In 2011 the first refund will be paid - amounting to around £150,000 across the diocese as a whole.

Discipline

Parishes are asked to make "realistic and generous" offers. There are roles for both the deanery and diocese in responding to parishes that do not take this seriously.

The deanery is expected to apply peer-pressure and to make it clear within the deanery whether parishes are felt to be participating properly or not. Deaneries are not expected to make good a shortfall caused by unilateral parish decisions to reduce their offers in real terms. However, the other parishes in a deanery are expected to take some responsibility for making good shortfalls that have been discussed in deaneries. For example, if these were caused by major building costs in particular parishes, there should be discussions about how those parishes would "pay off their arrears" in future years, or would help to support other parishes who faced similar building costs in the future.

On the diocesan side, a disciplinary process is aimed at both parish and church leader. It includes:

- where there is a general consensus by parishes, benefices or deaneries that a parish, benefice or deanery offer is unrealistic or ungenerous, then pastoral reorganisation to reduce costs will be expected and vacancies are unlikely to be filled in the meantime.
- wilful non-participation by a parish in the parish offering system will be made public and will lead, at vacancy, to a delay in the appointment process because of the automatic triggering of a pastoral review.
- the Bishop's reference for any minister applying for posts elsewhere will state if a minister has failed to take his/her financial responsibilities seriously and if his/her parish has not made a realistic contribution towards the costs of ministry.

6. Assessment of effectiveness of parish offering scheme

The effectiveness of the parish offering scheme can be judged in a number of ways:

- The conceptual/philosophical shift from a formula-based taxation system to a generosity and realism-based offer system has been welcomed almost universally and there is no appetite for shifting back.

- The system has seen a marked increase in the extent to which deaneries and parishes are taking responsibility for providing the funds to pay for their ministry. Prior to the new system being introduced, only 2 out of 11 deaneries covered the costs of their ministry. Three years in, a further 5 have made a commitment to cover their costs in the next few years and 3 of the remaining 4 have set themselves targets for the (increased) proportion of their costs that they will cover. This greater sense of responsibility has been linked to giving deaneries greater control over decisions about deployment, meaning that deaneries now have significant responsibility both for determining their level of ministry cost and providing the money to pay for it. Those deaneries that have closed the gap between their offers and costs have done so by a mixture of increasing offers and reducing costs (by shedding posts).

- as a result of the increased awareness of the costs of "local ministry" there is now pressure from parishes and deaneries to make it easier to provide paid part-time and non-ordained ministry, and to give a "menu" of different types of ministry with their different costs clearly identified.

- the offers made and received have been sufficient to ensure that the DBF achieves a balanced budget (or better) in two of the three years in which the scheme has operated. In the second year of the system the offers made were lower than the amount required to fund the planned level of ministry, so cost cutting measures were put in place including a one-off reduction in the number of curates recruited along with bringing forward plans for pastoral reorganisation in deaneries whose offers were low. This may have been required in order to demonstrate that the diocese was serious in saying that if parishes would not provide the required amount, then cuts in local ministry would have to be made.

- a number of parishes who reduced their offers in the first two years of the new scheme (probably in response to a sense that they had previously been over-taxed and that the extent to which they were "subsidising" others had been hidden) have increased them in the third and fourth years.

- although some deaneries have offered substantially less than the amount requested under the previous Parish Share system, their offers have been more than the amount paid under that system, and they now pay 100% of what has been offered, resulting in increased payments to the DBF.

- the extent to which parishes and deaneries are holding each other to account for making realistic and generous offers is mixed. In some deaneries there are now more conversations about why individual parishes should be supported or support others, but this is patchy. The same applies to conversations between Deaneries -

which are probably more patchy and this is an area where the diocese is investing time and effort. The best results in terms of increased offers have been seen in those deaneries where parish or benefice representatives have been brought together to discuss the system and encouraged to take ownership of the issues.

- the diocesan assessment is that, compared with the previous parish share system, in the short term the parish offering system has seen the same or slightly less money paid by parishes to the DBF. The real benefit is in terms of the increase in the amount of ownership and responsibility that parishes and deaneries are now taking for raising the money required.

7. Conclusion

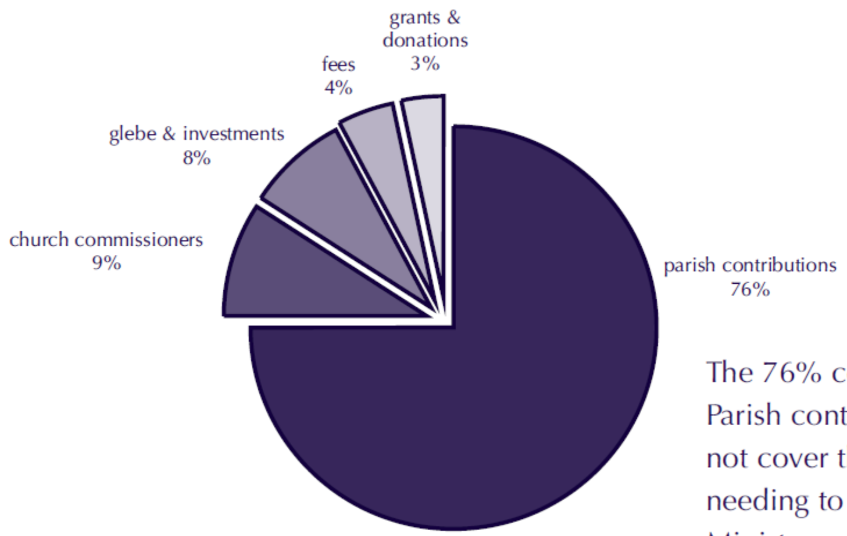
This paper has summarised how the parish offering system in the diocese of Carlisle works and the background to its introduction.

For further information, please contact the Diocesan Secretary, Derek Hurton, at Diocesan.Secretary@CarlisleDiocese.org.uk

Annex 1

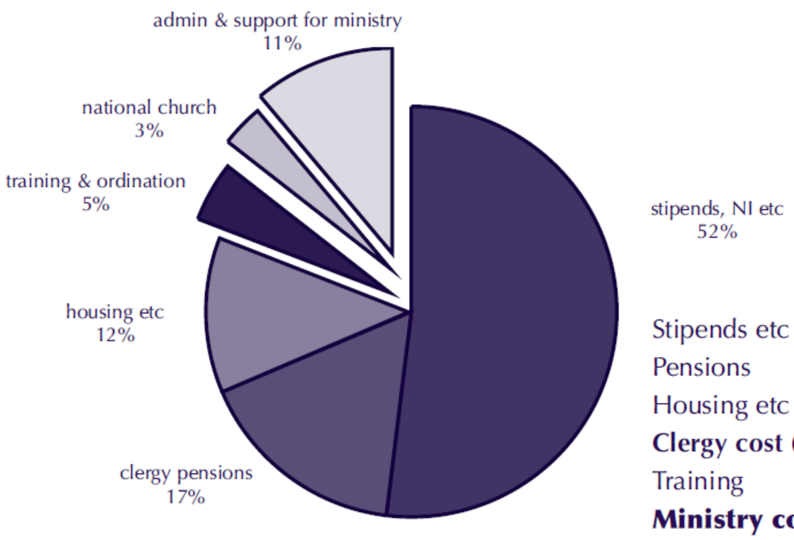
Carlisle diocese and its money

In round numbers: the Diocese has 25,000 people on the Electoral Rolls of the Parishes; 18,500 people go to a C of E Church each week; there are 170 clergy, and 20 paid lay people. It ministers to 500,000 people in 350 churches, and supports 110 church schools. The diocese's annual budget is £6.5 million. Of the £6.5 million, about 20% comes from investments, grants etc. The other 80% (£5 million) has to come from the parishioners.



The 76% coming from Parish contributions does not cover the 86% needing to be spent on Ministry costs.

Diocesan Income



Stipends etc	52%
Pensions	17%
Housing etc	12%
Clergy cost (subtotal)	**81%**
Training	5%
Ministry costs (total)	**86%**

Diocesan Expenditure

More detail about this is available on the Diocesan website

www.carlislediocese.org.uk or from the Diocesan Office

Annex 2

Parish Offering System Flow Chart: Original Proposal

March/ April	**<u>1 Budget Setting</u>** **The Diocesan Office calculates expected budgetary requirements for the following year**	***Notes*** • *It also calculates data for parishes and deaneries to use: costs of local ministry (clergy etc), offers (share) paid in the past, etc*
April/ May	**<u>2 Inter-Deanery Forum</u>** **All Deanery representatives meet Diocesan Officers in the Inter-Deanery Forum to agree Deanery Aspirations**	• *These Aspirations will be related to the cost of the clergy working in each Deanery. But Deaneries must accept that some will be net contributors, some net receivers* • *The Deanery Reps will need authority/empowerment from Deanery Synod; they will also need to be well prepared, with a realistic view of their own Deanery and of the Diocese*
May/ June	**<u>3 Deanery Mechanism</u>** **To get offers from Benefices; the Deanery aggregates offers and compares with the agreed Aspiration**	• *Deaneries decide on their own mechanisms - probably including a Deanery meeting of reps from each Benefice* • *There should be no formulae - but the previous year's payment will be a necessary starting point* • *Offers will usually be made from Benefices or from groups if they mutually agree* • *Data made available by the Diocese will include Benefice income, costs of clergy, Usual Weekly Attendance, etc*
July	**<u>4 Iterations</u>** **If the total is insufficient, the Deanery must go back to the Benefices (There are likely to be more than two iterations.)**	• *A spirit of realism and generosity is essential: i.e. not expecting to make changes without negotiation with other parishes, and measuring your generosity by God's generosity to us* • *Mutual support and Deanery responsibility are expected where there is good reason for that support (eg a one-off crisis) - but not in cases of wilful refusal to co-operate.*
September	**<u>5 Agreement</u>** **The Deaneries report back to the Diocese their successful completion of this process.**	• *All data will be made available to everyone, in the interests of transparency and fairness* • *There would be scope for a further Inter- Deanery Forum - but this could only be the result of a grave situation* • *The Deanery is not expected to handle the process of collection*
January	**<u>6 Collection</u>** **The Diocese will do the administration of payments by Benefices, as at present**	
March/ April	**<u>7 Begin again at: 1 Budget Setting</u>**	

Annex 3

Data Pack

Data is provided at two levels:

At benefice or team level: (N.B. typically **not** at parish level for multi-parish benefices). Data for all teams or benefices in a particular deanery will be supplied to the deanery, with the assumption that the deanery will copy it to all teams and benefices in that deanery so that each benefice can make benefice-to-benefice comparisons within their own deanery. Teams and benefices will not be automatically provided with data for teams or benefices outside their own deanery.

At deanery level: data will be the sum or average as appropriate of data for individual teams or benefices. Data for all deaneries will be copied to every deanery (so every deanery has a set covering the whole diocese, and can make deanery to deanery comparisons).

The table overleaf shows the information that can be made available. The actual data provided will depend on what Deanery representatives think is useful. As a minimum, data on clergy numbers and costs, and previous offers/payments will always be provided. Since 2009, Parishes and Deaneries have only requested information on the costs of clergy and the levels of payment in previous years.

Description of item	Reason at Team/Benefice level	Reason at deanery level
No. of stipendiary and HfD clergy	Provides the basis for calculating share	Provides the basis for calculating share. Needs to be agreed by all.
No. of other clergy and Readers (NSM's, retired, Readers)	Reveals the extent of supplementary support available.	Reveals the extent of supplementary support available.
Cost of the stipendiary and HfD clergy	A starting point for share offering	A starting point for share offering
Usual Sunday Attendances	An indicator of the size of the donor base	An indicator of the size of the donor base
Gross parish income (last available data)	Reveals whether share in excess of income is required	Reveals whether share as a proportion of income is comparable across the diocese
2007 share plus inflation on diocesan budget	Another starting point for share offering	Another starting point for share offering
2007 share plus inflation on diocesan budget per USA	An indicator of affordability at present. Should be similar for each benefice in a deanery	An indicator of affordability at present. Differences between deaneries should be justifiable
Cost of stipendiaries and HfD per USA	An indicator of whether a benefice can afford the present level of clergy provision	An indicator of whether a deanery can afford the present level of clergy provision. Differences between deaneries should be justifiable
2007 share plus inflation on diocesan budget per stipendiary or HfD	An indicator of where the present share level is inappropriate	May indicate under or over provision of clergy between deaneries
Gross parish income per USA	Indicates whether there is a stewardship problem in a benefice	Provides as basis for justifying differences between deaneries on socio-economic grounds.
USA per stipendiary/HfD	An indicator of appropriateness of the present level of clergy provision	An indicator of appropriateness of the present level of clergy provision. Differences between deaneries need to be justified.
Parish share requested and paid in previous year	Provides context about starting point for new system, showing how far share matched costs. Provides benchmark for initial offers.	Provides context about starting point for new system, especially useful in providing benchmark for initial offers/aspirations

Believe in Change

The Rapid Parish Development Programme approach to transforming churches by the Revd Canon Nick Ralph, Social Responsibility Adviser, diocese of Portsmouth

1. Introduction

The Church of England has an amazing offer, which is especially relevant and timely. Parishes are committed organisations with a unique message, located in the heart of all our communities. We should be successful.

We have, though, in so many places fallen into a 'management of decline' mode, (whether declared or not) where buildings have become more a liability than an asset. And yet we want and hope to play an animating and leading role in our communities as bringers of light, hope, belief and joy. This will mean a fundamental rethink in our approaches and messages even as our core values and many of our principles stay the same.

We also live in interesting times with rapid and radical economic, technological, cultural and social change evident in all communities. Churches are not keeping up, nor are they shaping/leading these changes and it is likely that some of them will close as the financial realities can be borne no longer. There is a danger that without a rapid and fundamental shift, some church communities will become irrelevant to the culture and communities they are located within. This shouldn't and needn't be the case; we have a wonderful world and life transforming message.

This short article outlines the thinking behind and the implementation of the Rapid Parish Development Programme. Our initial approach was to work with some of our parishes that were thinking about developing new community facilities. It quickly became evident that the (re)development of new facilities was actually the least important issue. We were in danger of adding to the many churches that were burdened with poorly thought through and poorly delivered (re)development projects. It was very clear that there had to be a rethink from first principles about the purpose, mission and offer of these parishes to their local community and wider markets before any such ideas could properly be considered.

2. Background

In the centre of most of our neighbourhoods is a parish church. How do we turn this incredible legacy into an asset so that it can provide a dynamic and sustainable resource for our mission and be a centre of light, hope and belief for all? We believe that it is in our local communities where we can see, experience and best understand the extent of change and disadvantage. We also believe that the Church of England has both a spiritual and temporal obligation to be present, act and provide leadership in these places. We need to be less bashful about it.

Jesus, the early and innovative churches, other faiths, successful local schools, business and community-based groups/networks all show that amazing change is possible, even in the most difficult and/or disadvantaged areas. Ironically, change can sometimes be more easily achieved where the circumstances are apparently more difficult. All churches are faced with similar challenges but some are on a lower temperature setting. So it all starts from an honest and realistic assessment of where the particular local church sits within its community.

In some areas, the church is now experienced as an outside organisation, and given the level and extent of change in many communities, it may mean that even the oldest churches now effectively need to operate as new ones. Communities have changed so much (demographics, patterns of life, greater diversity, atomisation etc) that they have to re-introduce and sell themselves in a place of transformed expectations and context. They need to behave more like a start-up organisation than an old incumbent one.

Change is not just local – wider ideas of employment, being younger or older, as well as gender relations for example have all changed dramatically in recent decades. The very idea of how time and space is 'used', socialising, and our expectations and ambitions, these are, for many, unrecognisable from even those held in recent decades. Within this ferment, there is a strong and growing desire for 'something': 'nourishment', 'peace', 'spirituality', 'love' and 'friendship' etc., that is expressed by many people.

Fortunately, we also have a high level of goodwill for the local parish church – there is some recognition of its identity and role in local community life. As communities change and face increasing challenges, there is an historic opportunity to valourize this role and realise this goodwill.

We can't afford complacency, denial or defeatism. Thinking alone or 'business as usual' is no longer viable. This is why we have developed the Rapid Parish Development Programme. We are ambitious for mission and impact and we want our churches to be successful in a way that is meaningful to them, their context and community.

3. Programme

The Rapid Parish Development Programme (RPDP) is a unique programme for local parishes that are considering new ways to engage with their community and / or a building project. It uses adapted social / business development techniques to help participants think in a focussed and creative way about the potential role of their Church in bringing light, hope and belief to their community through new engagement and ambition.

The RPDP was developed by the Council for Social Responsibility (CSR) at the Diocese of Portsmouth and it is now working with the Church Urban Fund to share learning. The programme works best as a collaboration between selected local parishes, their diocese and CSR. It provides an opportunity for parish teams to:

i) Develop a positive understanding of the dynamics and opportunities in their community.

ii) Identify what specific elements their mission work and/or proposed development will need to include, in order to align and proactively reposition themselves within their local community, and bring high-profile and sustainable benefits.

iii) Present clearly and positively their vision, objectives and their ambitions.

The RPDP generally consists of two group workshops, with three parish teams and a parish presentation (in varying formats) with each of the parishes. In some cases, workshops have been run with individual parishes, although this is relatively more expensive. The peer challenge and example between parishes has been a useful and positive element.

Where appropriate, at the end of a programme a tailored project prospectus has been produced, covering key findings and messages.

The group and parish workshops cover:

- Social and cultural challenges facing local churches
- Identification and engagement with emerging opportunities in the local area
- Clear statement of the real priorities
- What can the parish offer the local market?
- Development of a positive pitch about the offer
- To whom and how will this be sold?
- What is needed from the buildings?
- How can these ambitions be resourced?

The programme encourages parishes to rethink, from first principles, their role in their local market place. If appropriate, additional work is required from participants between workshops to engage with new local stakeholders to help them identify new opportunities for their parish. Contributing/participating parishes are asked to provide a team (a minimum of 3 – the vicar and two lay members) and pay a fee (no exceptions) to participate in the programme. (People value what they pay for and are more likely to turn up.) The willingness to think differently and prioritise new ways of working is crucial to the programme's success.

Providing outside facilitators, time out, challenge and creative ideas provides a unique opportunity for parishes to think about their role and what they have to offer in their changing local community.

So far RPDP has been run in 11 parishes with great success. All have come out of it with a clearer idea of what it is they want to achieve. Key elements of what has been learnt so far include the following:

- Where in some parishes a new building was a possibility, now, in several, cases, they have realised that they do not need a big new 'vanity' project as previously envisaged. This alone has saved parishes at least £10million. Two churches now have plans to walk away from their current buildings entirely (only one of them is modern). It is often about seeing and using our existing buildings in new and better ways.

- It quickly becomes apparent to participants in the programme that it is not about buildings at all but about people and communities and how church communities engage with them. Once the church community has come to a view about what its mission and priorities should be, other things fall into place. Questions about buildings then become based on how the current or redeveloped buildings can serve the mission, rather than how the community can serve the buildings, (i.e. rather than the tail wagging the dog). Church Councils don't need or want to be asset managers, although it is all too easy for them to fall into it.

This has to some extent to be fun. If it is not an enjoyable experience for people to come together to consider these things, why should they bother or come back, or keep coming back?

Some parishes are already engaging with their communities in important and useful ways. Sometimes the form is there but tired and what is needed is a simple refreshing. For others it is a more major re-thinking, re-engaging, re-positioning and a re-launch.

Several parishes have stated that they want to work more closely with young people. They have even been prepared to construct multi-million pound buildings to achieve their goal, often without asking any young people whom they want to see inside it if they would go near the place. Often it turns out that the annual PCC budget for youth work is a few hundred pounds, or less. The fact that some parishes' hopes and expectations are unrealistic has to be (and is) challenged if money is not to be wasted unnecessarily. There is little point in pandering to people's mistaken expectations and displacement activities. There is a great deal more to be gained by challenging them to come up with something better. Often this can be achieved for a much lower cost.

Parishes often behave as supplicants. 'Can we do this?' 'Will we be allowed to do that?' They need to move forward more confidently with a stronger offer and better evidenced realistic vision, asking instead those same people, 'why wouldn't you support this fabulous vision?'

Parishes have often been held back by trying to work in partnership with everyone, partly out of guilt, and then finding that nothing happens because it takes too long to agree. We encourage them to move ahead either on their own or with those who want to work with them positively and creatively but are ready now. There is no point trying to bring along those who are not interested or who want to talk but do nothing. It is okay to create some parish envy. Others can be attracted to what is being done at a later stage.

We have also sought to prioritise churches in areas of disadvantage. This has been the best place to work. They know that the idea of doing things in the same old way is over and has to change. They are far more ready to think radically and make the leaps of faith necessary to do something worthwhile and distinctive. Some even have money salted away 'for a rainy day'. The message is that it is raining now, in some cases pouring. The time to invest, as long as it is in the right things, is now. The right things are those which build up the church, its engagement with the community and preferably make a surplus to allow further reinvestment. (No talk of grants, or public sector handouts, those days are over).

4. Conclusion

We need to move out of the survival mode of thinking. Such an approach would guarantee that many of our vital parishes will close. Our experience is that RPDP is proving to be a promising approach to facilitating a shift in thinking, approach and delivery. Taking risks is never easy but many of the communities that we are seeking to serve need constructive risk taking (and that means allowing some ideas to fail in order to discover what works). You reap what you sow, and for too long we have not sown nearly enough.

A successful (re)development and/or a new approach to mission is not primarily a technical exercise, but rather it is a process of re-thinking, re-engaging, re-positioning and re-energising our unique offer (we try and demonstrate this through the way the programme works i.e. it's fun). We take a positive approach to change, but in the programme we have not shied away from strong and challenging messages. We are driven by the urgent need to move beyond denial, helplessness and/or complacency.

We have decided to offer this programme to other dioceses. It does not come cheap as it involves a significant input of time and effort by several people but we believe it is worth it to see places transformed. In terms of savings from not doing the wrong thing, it has saved millions of pounds. Dioceses would usually have to subsidise it substantially but we encourage them at least to make a small charge to parishes for the reasons outlined earlier (something in the region of £500). The full cost for a three parish programme is £10,000. A single parish programme is about £5,000. For parishes in areas of disadvantage, the Church Urban Fund, with whom we have worked, may be willing to help cover some of the costs.

As a result of the work undertaken so far we are developing some new lines of work which will in due course be open to others to find out more. We are setting up a new Joint Venture which will be a one stop shop package development company for churches, other faith groups, and community groups. We are looking at the possibility of helping to finance good projects by means of a community bond which we hope to pilot first locally. We believe this could raise significant sums of money. And we are developing a leadership and enterprise programme with an inspirational secular enterprise school in Denmark.

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The Church's Mission in New Housing and Other Development areas

Report by the staff of the (Resource) Strategy and Development Unit

Introduction

This is a report on dioceses' role in supporting the Church's mission in new housing and other development areas. It summarises the learning from the fifteen dioceses which have received a share of the £7.25 million of R&D money made available by the Archbishops' Council and Church Commissioners for mission initiatives in new housing and other development areas. This learning has been gathered from discussions with representatives of those dioceses, written reports from them on the progress of their development projects, and from national conferences on the issues, most recently one held in London on the 14th January 2011 (which also included representatives of other dioceses with an interest in development issues). Information on new housing funding and reports from previous conferences can be found here: http://tiny.cc/newhousing. The contents of this report are as follows:

Planning about Planning

1. Monitoring Developments
2. Engaging with the Planners

Planning for Mission

1. Understanding the Context
2. Strategies for Different Contexts
3. Planning mission using Church Schools
4. Community Space
5. Encouraging Parishes to Engage with Smaller Developments
6. Working with Ecumenical Partners

Mission Implementation

1. Pioneer Appointments
2. Evolving Strategy
3. Building Sustainability
4. Legal Structures
5. Assessing Effectiveness

Planning about Planning

1. Monitoring Developments

Planning mission in a new housing or other development area inevitably requires knowledge of what is being planned and engagement with the planners and developers. There may be many years – even decades – between the time the first plans are hatched for a development and when any bricks are laid, and the nature of the development may be very different then from when first conceived. Thus monitoring development plans requires sustained effort:

- Some dioceses (e.g. London, Exeter, Chelmsford) have dedicated officers (full-time or part-time) who, as part of a wider brief dealing with development issues, keep tabs on planning proposals. Such a post is difficult for the smaller, least-resourced dioceses to sustain (although there is potential for diocesan collaboration within regions).
- Diocesan Directors of Education often have networks which provide them with good knowledge about developments and it is important to ensure that this is shared fully with other diocesan officers. It is vital that the mission, education, property and social responsibility issues in relation to new development sites are kept together.
- A diocese's property agents could have the brief to inform it of development planning proposals.
- Some dioceses cover areas which have a huge number of development proposals at any one time. Even with a dedicated officer, priority has to be given to developments over a certain size.
- The diocese of London uses a mapping system as a tool for planning its mission in new developments (http://www.london.anglican.org/Strategic-Development-Map.)

2. Engaging with the Planners

The Coalition Government has recently instigated changes in planning procedure in the form of the Localism Bill. It is an attempt to move the decision making power over planning issues away from central government to local communities. Regional Strategies to deliver housing targets are being scrapped and instead local planning authorities will have more power to decide what is built and where. The Planning Inspectorate will no longer have the power to make changes to local plans; its task will merely be to assess their 'soundness'. It is possible that this will lead to an increase in development applications; however, there will also be more say at a local level to stop them. If a NIMBY attitude to local plans outweighs the need to provide housing, it is likely that the Localism Bill will lead to a further long-term decline in the number of houses built throughout the country. In countries like France, local authorities have long had more influence on development issues and in general it has proved an effective system. But it is as yet unproven in this country.

Neighbourhood planning is set to increase under the Localism Bill and 'automatic consent' will be in place if a development plan meets a certain set of requirements. Section 106 agreements (which set down binding terms upon developers in relation to the provision of services and infrastructure within a development) will broadly remain the same, but subject to some changes.

Since planning matters always progress fairly slowly, the present economic downturn has not particularly affected planning for medium to large developments. But it has had a significant impact on current development activity. This has been an added complication for diocesan mission planning but has generally helped give the Church more thinking time. Engagement with developers and planners is a long and time-consuming process. In some cases it can be more fruitful for dioceses to have contact with the developer of a site *before* they take their plans to the local planning authority but it is important to let local authorities know of the Church's intentions and aspirations (e.g. to plant a church, build a school).

Developers always face a trade-off between a 'perfect' development and profit. And in an economic downturn, there is a greater risk of community facilities being sacrificed to make a development affordable. It is frustrating when developers build developments that are below the Section 106 agreement threshold, which avoid obligations in respect of community and service provision. But the Church has the opportunity to influence local decisions. This requires a clear vision on its part as well as persistence, as developers receive many requests from groups with conflicting interests.

The Localism Bill could provide more opportunity for the Church's voice to be heard at local level about development issues. If there is a genuine shift in decision-making to local authorities, then the Church is well-positioned through its parish and diocesan system to influence local opinion. It will, however, continue to be a difficult task to engage with developers.

Church schools are often looked upon favourably by developers because of their educational reputation, and they can provide an effective base for ministry (this is discussed in the Planning for Mission section).

Some planners/developers still seem wedded to the idea of providing 'faith space' to all faiths which risks serving the 'lowest common denominator' in terms of provision. But a more common sense approach has been adopted in Barking Riverside where the development has four community hubs all of which have a faith space which are to be allocated on a leasehold basis. The planning authority had delegated the decision about the allocation of space to the local faith forum. The Muslims/ Jews/ Sikhs have not expressed interest in the first community hub and it is going to be used as LEP involving the Methodists, the Salvation Army and the Church of England.

Planning for Mission

1. Understanding the Context

George Lings, Director of the Church Army's Sheffield Centre, has called new housing areas an 'ecclesiological laboratory', since the nature of the transitional community necessitates a constant need for the Church to adapt its ministerial and mission models. He notes that some of the lessons about the Church's emerging mission strategies are being learnt fastest in these intense, transitional environments.

So understanding of the context is a vital component of mission planning. This needs to go beyond merely knowing the physical size and shape of the new development. For example:

Identifying the character of a development

- **Is it in a business area?**
- **Are there going to be young families?**
- **Will it be a mostly transient community?**
- **Will there be anyone living or working on the development during the daytime?**
- **What do the people living in the development do during their leisure time?**
- **How will they respond to community projects?**
- **Will any of the residents already be part of Christian communities?**
- **What issues will bring the residents together?**
- **Are there already other groups working to create community?**
- **Is there a strong presence of other faiths, or other denominations?**
- **Are local parish churches well situated for reaching out to the development?**
- **Are local parishes willing and able to reach out to the development?**

Clearly there is a limit to how well these questions can be answered in advance of the development being finished and so mission planning has to operate on certain assumptions, whilst ensuring plans are left flexible and there are further mission audits as the development evolves.

2. Strategies for the Different Contexts

The different strategies adopted by dioceses for mission in new housing and development areas reflect both the varied contexts, and their 'theories of action' i.e. their views on what kind of mission activity is effective in terms of growing new Christian communities. All revolve around putting people on the ground, and doing so as early as possible in the life of a development. Some are mission-focused priests, seeking to attract people to more traditional forms of church; others (although the distinctions are not always clear cut) are pioneer ministers serving and witnessing to those completely unconnected to church.

For example, Peterborough diocese is seeking to create a new church community in each of its large new (mainly Greenfield) housing developments, planting churches where possible from strong existing congregations, investing in pioneer ministers operating in teams to connect to the unchurched. Each member of the team has a mission focus which is geographical and thematic (e.g. young people, families, older people). Deaneries play a key part in developing the vision of the work.

In relation to the Liverpool One development project in the heart of the city, Liverpool diocese has been developing a 'River in the City' strategy, building a missional community of individual cells across the development, relationally linked to parish churches, chaplaincies and Christian networks. It seeks to connect the Church to the world of work and leisure, as part of a wider strategy to build a mixed economy Church which ministers within settled neighbourhoods and follows the flow of networks to plant churches in very different environments. The cell churches in Liverpool are the essential building blocks of the missional community, gathering together in larger numbers for worship and witness. The network is not resource intensive in terms of paid staff and buildings but is in terms of lay leadership. The role of the pioneer minister appointed in Liverpool One is to lead the overall network, establish the cells within it and identify, develop and relate to key teams of lay people.

3. Planning Mission using Church Schools

Dioceses have found schools to be a strong connection point for unchurched people, not just Church schools, but of course they clearly provide an advantage because there can be influence on the design of the building and working relationships. If the diocese acts early enough, it can stipulate design features so that the school can also serve as a church building e.g. with separate entrances, storage space. Some schools now contain parish offices. Evidence suggests that it may only take an investment of £10,000 to £15,000 to alter the design of a school to make it amenable to church use, considerably less than the costs of a new church building.

Schools remain busy hubs, however, and may even have their own events over the weekend. It is important for school and church to have clear rules of engagement, covering issues such as the identity of key-holders, storage space, and who can use the school and when and what for.

4. Community Space

Schools are one possible solution to the issue of finding space for churches to meet and engage with the local community. There is a need for creativity in this area in view of the general reluctance of developers to provide any community space.

In New Braiswick Park, Colchester, a house is rented on the development so that the mission work is able to respond directly to the concerns and needs of the community as they arise. Activities include 'Messy Play' sessions for toddlers, baby massage sessions and community litter picks. It is important to ensure that developers and local authorities approve the use of a house for such purposes. If a 'change of use' is not approved then it can be difficult to keep a house open as a community centre if a complaint is lodged, even if the local council is helping to fund groups that meet within the house. Many residents like the idea of a community centre, but retain a 'not in my back yard' mentality.

Few dioceses are starting their mission planning in new developments with a view to building a dedicated church building. The 'traditional model' of ministry in new housing – appropriation of land for a church building plus the provision of stipendiary clergy – is inadequate in many places in terms of missionary outreach as well as being difficult to sustain financially. In some communities there remains the expectation (sometimes fed by developers) that the church must be represented by its own building. In those areas, a diocese might plan to build a place of worship but it would normally require first the building up of a sustainable church community meeting in shared space.

5. Enabling Parishes to Engage with Smaller Developments

Whilst larger scale developments require the diocese and deanery to develop a fresh vision of mission which stretches beyond existing parish activity, and possibly to re-allocate significant resources to the area, engaging with smaller scale developments normally relies on the efforts of the parishes in which they fall. The extent to which these opportunities are taken up heavily depends on the quality of local church leadership.

Some dioceses are seeking to encourage their congregations in their engagement with new housing developments e.g. mapping the relevant areas, helping to develop Mission Action Plans for the developments, providing consultancy support, sharing good practice etc. Dioceses can face the situation, however, where those parishes which are 'up for mission' are already reaching out to their new developments and don't need much help, and those parishes with little current or planned engagement with their new housing are not keen to accept advice.

A few dioceses have witnessed some quite radical changes in the mission emphasis of some of their parishes because of the stimulus of some new building in their locality.

6. Working with Ecumenical Partners

Working ecumenically is often a necessity in dealing with planners. It is also important that the Church witnesses to the truth and that its concern is to build the Kingdom of God, not the kingdom of the Church of England. Churches Together in England seek to facilitate partnerships over new housing issues at a local and national level (Churches Together Website). In general, ecumenism works best when focused on mission, whether at strategic planning level or actually on the ground.

Although the Church of England is an established, national church, there is merit in it allowing other denominations, where strong, to take the lead in certain development areas. With finite resources, the Church has to determine priorities about its work. That said, in many areas, there is room for many more churches. For example, one part of London has over 400 churches, yet there remains a pressing need to reach out to the community there so the Church of England is still seeking to expand its mission in the area. Collaboration with ecumenical partners should seek to optimise mission activity not limit it.

It is important to recognise that there are often significant differences between what other denominations and churches can bring to the table in terms of resources. The Church of England has to be clear what it wants to achieve in any situation. Discussions with other partners inevitably require some sort of negotiation and compromise about different interests so the Church needs to stay focused on its initial aims. It is important also to have clear agreements about resource issues (finance, physical space, appointments etc.).

The Church of England needs to be aware of the existence of churches (e.g. Newfrontiers) which may wish to be involved in new housing mission work but which have not been part of traditional ecumenical groups and discussions. Such churches often show more entrepreneurial spirit and make quicker decisions than the more historic denominations. This can make it more difficult for planning, but that only enhances the need for partnership with them where possible.

Mission Implementation

1. Pioneer Appointments

Recruiting the right people for the job is a truism for all Church appointments but the special characteristics of development areas can mean it is more difficult to work up the job description and personal specification of the 'right person' to minister there.

The evolving nature of mission work within development areas suggests the need to keep the job description fairly open albeit set within a long-term vision.

> ***Example*** – *In Leeds for the role of Business Pioneer there was a huge amount of background information and research that was needed before a role description and person specification could be released. There was consultation with the business industry and it was related to other issues within the city. The job was advertised locally as well as in the Church Times so that the net was thrown open a little wider for more responses. Using phrases such as 'self-starter' and 'motivated' in the advertisement signalled that someone who was willing to start with a blank piece of paper and write their own job description, would be welcome.*

Dioceses are also emphasising, when looking for pioneer ministers, the need for people with a proven track record on work within pioneering situations, entrepreneurship, being 'light on their feet', managerial experience, cultural connections to the group(s) to whom they will be ministering, and a strong ability to network with people. Dioceses testify that getting the right sort of person is more important than whether they are ordained or not. Some have found Church Army and other lay pioneer appointments very effective.

There needs to be clear supervisory and monitoring arrangements for pioneers, once appointed. This provides accountability and support for the work, and can cover issues such as widening or narrowing the scope of work, changing the nature of their role, or dealing with a difficult ministerial issue. There is a risk with pioneers (as there is with all ministers) that they will focus their work on areas of interest rather than the wider vision for the role.

There needs to be clarity over terms of service: some dioceses are employing ministers through the diocesan board of finance, other ministers are office-holders. Others have set up separate companies in order to employ either lay or ordained ministers. This can, however, add more complexity than is necessary. Whatever the employment status of pioneers, it is important to have clarity about the finances of their work (budgets, expenses etc).

It is vital, in their day to day work, that pioneers are resourced and supported by other ministers and teams of laity in parishes/deaneries. Harnessing the skills of local congregations is essential since no pioneer can be expected to have the full range of abilities needed to minister to new housing areas.

The Fresh Expressions team and the Church Army's Sheffield Centre are working in collaboration to provide networks for pioneer ministers, including those operating in new housing and other development areas. (See www.sharetheguide.org and www.churcharmy.org.uk).

2. Evolving Strategy

The importance of understanding the context of a new development does not stop when it finishes being built or when a minister is appointed to it. On-going contextualisation and feedback from the ground are essential to refine mission strategy. Some dioceses have demonstrated the seriousness of this by expecting their pioneer to re-write their job description each year.

Regular mission audits give a wider perspective to the Church's work than the views of church leaders/members on the ground. Pioneers in some dioceses are using informal channels of communication, such as talking to the developer's sales team, to paint a picture of the evolving shape of the development. In parallel, they have conducted deeper, more formal interviews, which have yielded lots of qualitative data which has been logged to help build a perception of residents' views, including that of church from the outside. Such interviews can be very revealing e.g. making clear how little some residents want community or church. Repeating the interviews at subsequent intervals enables changes in perceptions to be tracked. They have also proved to be a great relationship builder and just by asking people to examine why they have not attended church has proved to be an effective evangelism tool.

(The Anglican Church Planting Initiatives (ACPI) website has some useful resources for mission audit questionnaires and ideas. http://tiny.cc/churchplanting).

3. Building Sustainability

Some pioneering work may be short-lived in nature but if a new, sustainable Christian community is to be created in a new development area, then the mission work and its finances need to have solid foundations. Some pioneers have done effective mission work for a time but left little behind them once they had come to the end of their term and left. To address this, dioceses are emphasising the importance of pioneers working in teams, involving other ministers and with laity, so that a pioneer gifted in networking and evangelism worked alongside those gifted in building up disciples and the life of the church community. There is a case too for appointing pioneers on longer terms, although some are probably best suited to 'start-up situations' and then moving on to new areas to leave others to develop the mission work. Some dioceses have appointed pioneers on three-year terms, to fit with the funding they have available, but this left very little time to build any work. 5-7 years seems a more appropriate timescale, although a church community on a new development could take 10 years or more to become sustainable (financially and in terms of generating its own leadership).

This raises difficult issues for dioceses in terms of the amount of financial support they provide to mission work in new housing and other development areas. It is important to avoid too short-term support; yet also to avoid creating long-term dependency; and to ensure that decisions about ongoing financial support are taken in the light of agreed milestones about the effectiveness of the project (see later section). The issue of financial sustainability is relevant for existing parish ministry throughout dioceses, not just mission in development areas. Dioceses need to have consistent policies about sustainability and subsidy or else there is a risk that the mission in those areas will get squeezed out by the need to sustain existing church structures.

A number of dioceses are seeking to ensure that sustainability is an in-built feature of mission in new housing and other development areas from the very start. This can be done in different ways. For example, by starting work with part-time paid ministers or unpaid workers (i.e. cheaper models of church). By insisting that pioneers focus on financial sustainability rather than expect some other part of the Church to pay for them. By ensuring new communities are linked to parishes which are financially sustainable and growing, both spiritually and numerically. Or by ensuring that sufficient funds are raised to sustain the work *before* the new community is built up (this is something which the free churches, with their emphasis on sacrificial giving, are often good at doing).

4. Legal Structures

Another way to help the sustainability of mission work in new developments is to ensure it has proper legal foundations. New housing developments, particularly the larger ones, invariably cut across existing parish boundaries. Pioneer ministry in city centre developments has a much larger horizon than the individual parishes within it.

In these circumstances, dioceses are using Bishop's Mission Orders (BMOs) to give legitimacy to the mission work being undertaken. The consultation associated with creating the Order and the clarity they provide has been deemed very helpful in some situations (e.g. where developments span two or more parishes). But there is recognition that BMOs are not a panacea, and they can be a little messy, some dioceses are concerned that going down the BMO process too early undermines local ownership of new housing projects, although there may still be a case for creating one as a last resort to smooth over church relationships.

5. Assessing Effectiveness

There needs to be objective assessment of the effectiveness of a new housing or other development mission project, not just because of the external funding provided to them (and ultimately if a project is not going well, decisions have to be made about stopping it), but also so that the Church can learn from what is being achieved.

Such an assessment requires, at the beginning of the project's life, a clear vision of what is to be achieved and a set of milestones against which progress can be measured. The objectives of a project may alter over time, but this did not prevent the need to assess effectiveness. It is important to have 'milestones and not millstones' i.e. objectives that are realistic and which flow naturally from the vision for the mission work in the development. Metrics also have to be appropriate to the context which may not necessarily be focused on Sunday attendance.

Performance indicators currently being used by dioceses include:

- Weekly attendance – including all expressions of church and worship
- Non church events attendances (Community projects)
- Frequency of community engagement events
- Number of baptisms as a result of the ministry
- Giving figures
- Number of people attending an enquirers course
- Number of people at school assemblies
- Evidence of engagement with all age groups
- Percentage of houses within a new community currently being engaged with

Those dioceses receiving a share of new housing and other development funding from the funds managed by the Church Commissioners have been asked to provide change performance indicators for their projects and then measure progress against them. Again this is not just about ensuring 'value for money' (important though that is) but to help capture and share knowledge about mission in development areas.

The Church Commissioners have developed some national performance indicators to give the overall evaluation of the new housing funding. **These include**:

- Comparative impact on attendance figures
- Projects that become self-supporting or moving demonstrably in that direction
- Projects developing and thriving beyond their current leadership
- Decision making in the wider Church influenced by learning from the projects and ways of cascading this learning

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