



The Church Commissioners for England

Investing in the Church's growth

The Church Commissioners
Annual Review 2014



The Church Commissioners' work supports the Church of England as a Christian presence in every community.

We manage an investment fund of £6.7 billion.

This report explores how the Church Commissioners invest the Church of England's historic resources and how we identify areas of need and actively support our network.

The Commissioners contribute 16% towards the ministry and mission of the Church of England, including grants for church-run community projects across the country, stipends, office and working costs and dedicated grants for bishops and archbishops; grants towards cathedral funding. We also pay clergy pensions prior to 1998.

The rest of the balance comes from the generous giving of today's parishioners.

Archbishop of Canterbury, Justin Welby

Archbishop Justin chatting with pupils at the launch of the Church of England's anti-homophobic bullying guidance for schools in May 2014



An essential part of our engagement with society is that we call people to follow Jesus Christ as his disciples by both what we say and what we do.

As we move forward into 2015 we continue to be thankful for the work of the Commissioners and pray that with their support we will see continued growth and new areas of opportunity.



Spending Plans 2014-16

We develop three-year spending plans jointly with the Archbishops' Council. Funding for each of the broad expenditure categories – for dioceses', bishops' and cathedrals' ministry – increased by 1% in 2014 from the 2013 level of spending and will increase by 1% again in both 2015 and 2016.

£15.0m of development funding has been earmarked in 2014-16 for which dioceses can apply to support projects which will make a significant difference to their long-term mission and financial strength. A similar funding stream of £0.5m has been earmarked for cathedrals.



GENEROSITY

Supporting the ministry and mission of the Church



STEWARDSHIP

Investing for future generations



WISDOM

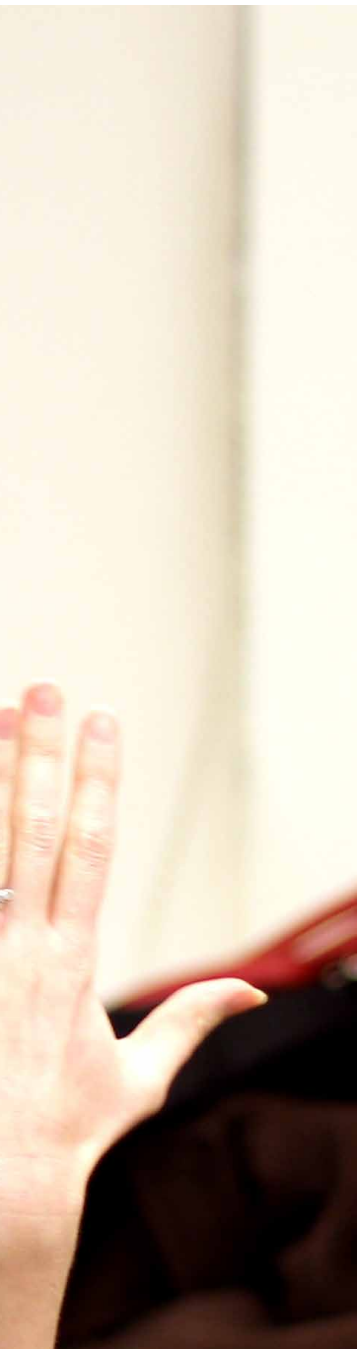
Investing ethically with responsible governance

FUNDING FOR MISSION IN NEW HOUSING AND OTHER DEVELOPMENT AREAS

In 2008-10, the Council and Commissioners allocated £7.25m to 15 dioceses to support their mission in new housing and other development areas. This money is all committed and was accounted for by the end of 2010 but, owing to the economic downturn, many developments were delayed and the money will continue to be drawn down over several years.

An external evaluation of the use of this funding to date was completed in the summer of 2014. The evaluation report and summary are at [**www.churchgrowthrd.org.uk/news/30**](http://www.churchgrowthrd.org.uk/news/30)





Rachel Hepburn is the community link worker at St Michael's, Stoke Gifford in Bristol Diocese, and is funded by a grant for mission in new housing and other development areas

One of the first people Rachel met when she moved onto the newly built Cheswick estate was a member of the recently formed residents association. "We just hit it off, she was really helpful as I was new to the area and we became good friends. Like many people locally she is employed by the Ministry of Defence and in fact is now in Afghanistan. We still keep in regular touch as the whole point of my role is living as a Christian on the estate where I work; I don't go home at night."

Rachel came to the role after a difficult period in her life when she was an RE teacher at a secondary boarding school. What she describes as a latent faith came alive when she was faced with a particular personal struggle and through the support of friends and the local church she started to feel God was calling her to use her talents elsewhere.

She started the job nearly a year ago and is already embedded in the local community, working with the school, running a parent and toddler group and generally making links, which

she believes would be much more difficult if she did not live on the estate. Pioneer curate Revd Jimmy Rocks said it was the funding that put the final jigsaw piece in place in the church's community outreach. The estate is partly separated by an A road with few community facilities. "As a team we had prayed about how we could do more in this new housing area, we realised what was needed was someone living and working on the estate. It was unrealistic to expect people to come to the existing church building, we needed to go out to them." Rachel and Jimmy and the team (including student worker Sam who married Rachel at the end of last year) meet the community need by running events, often in partnership with others.

"People know the events are church run and many choose to sign up to Alpha or come on a Sunday when we run an informal service. But our events are for everyone, including those of different faiths who happily turn up to our events."

By the end of her three-year funding Rachel is planning to make the projects sustainable and run by local people.



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RESEARCH AND DEVELOPMENT

In 2014, we and the Archbishops' Council approved the Spending Plans Task Group's recommendations for allocation of the remaining £8.1m from the £12.0m earmarked in 2011-13 for research and development. Full details are in the 2014 annual report www.churchofengland.org/about-us/structure/churchcommissioners/annual-reports.aspx

PIONEER MINISTRY IN STROOD (ROCHESTER DIOCESE)

Funding for mission in new housing and other development areas is supporting a pioneer minister for Strood deanery in the Medway Valley. The Revd Sue Vallente-Kerr has extended the mission of the deanery by creating a café style church in a local coffee shop for those exploring faith and with Christian connections, establishing a 20s and 30s encounter home group, running a regular car boot stall exploring body, mind and Spirit issues, and developing a fresh expression of Church aimed at families. Sue says that: 'Pioneering is exciting, challenging, exhausting and spiritually uplifting if given the time and space to develop it. There is so much potential and so many lives just searching for God.'



Developing Church growth in deprived areas

28 projects are currently in receipt of a grant of around £0.1m each from the £2.9m funding for developing Church growth in deprived areas. Each proposal was based on work which had already proved to be effective in terms of mission and growth in deprived areas. The funding was awarded to assess the impact of the work across the Church. £150,000 has been reserved for monitoring and evaluating the programme and disseminating the results.

SENSING SALVATION (ELY DIOCESE)

is a project for developing church growth in deprived areas working with two non-church schools in an innovative arts project. For a week every month, an artist or theologian takes up residence in St Peter's Lodge, a parish building, and works with schoolchildren on skills such as photography, puppet-making and quilting. At the end of the week the finished artwork is shown to the public. The Revd Paul West, vicar of St Peter and St Paul in Wisbech, says: "It's inconceivable to think of Christianity

without images. The incarnation of Jesus Christ is the word made flesh, and so that's the starting point of everything that we do here. When we think about our parish church family and a dwindling, ageing congregation we look around us and there's such life and we want to build a bridge into the life of our parish family... using very visual ways of communicating our faith, not inside four closed walls but taking the faith outside visually and announcing that with great joy is what we're about."

CHURCH GROWTH RESEARCH PROGRAMME

January 2014 – a special Faith in Research conference shared the key findings from the Programme www.churchgrowthresearch.org.uk/

December 2014 – our Sheffield conference looked again at the research findings and showcased the related work from a number of diocesan teams, cathedrals, fresh expressions of Church and mission agencies.

February 2015 – publication of parish development tool on the research findings – www.fromevidencetoaction.org.uk



Finished puppets and art-in-progress at the Sensing Salvation project

Parish Ministry and Mission

In 2014 £46.0m was distributed from our funds for parish ministry and mission. Most of this funding was allocated in grants made through the Archbishops' Council. The Council distributed £34.3m in block grants to 25 dioceses using a formula which targets the funding on the

least resourced. Dioceses usually use their grant to support clergy stipends for parishes least able to meet their ministry costs.

£6.0m was distributed to all dioceses as mission development funding. This funding is for dioceses to invest in new mission opportunities, although it may also be used for clergy stipends.

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Burnside Youth and Community Centre

On the day that drummer Lee Rigby was killed, it was the Burnside Centre near his home in the parish of Langley that offered shelter and hospitality to all. This 45 year old project of All Saints & Martyrs Church, on the highly deprived Langley Estate, still serves the community with a range of services to meet local needs and acts as a stepping stone towards support, training, information and guidance. A mission development funding grant is supporting

the work of the Centre's children's activities and provides the salary for the coordinator's post within the Centre. The Centre's Pre-School, for local children and their families, was judged Outstanding in its most recent Ofsted report.

'...over and over again we are instrumental in changing lives – in helping those who come to access our services to become volunteers and then to go on and find jobs for themselves.' Chair of the Burnside Centre, the Revd Canon Philip Miller.

Future plans for Commissioners' support

Following wide consultation with dioceses, the Resourcing the Future Task Force has recommended removing the current formula systems and replacing them with investment focused on fulfilling dioceses' strategic plans for growth, and with a strong bias towards the poor. Half of the support made

available from the Commissioners' funds for distribution to dioceses should be earmarked for the support and development of mission in the poorest communities and half for proactive investment in new growth opportunities. Attention is now focusing on how the recommendations can be best implemented over a transitional period.

The Resourcing the Future review has formed part of a wider programme of reform and renewal, which has also encompassed resourcing ministerial education, senior leadership and talent development, and simplifying Church legislation. Read the Archbishops' message on reform and renewal bit.ly/ineachgeneration



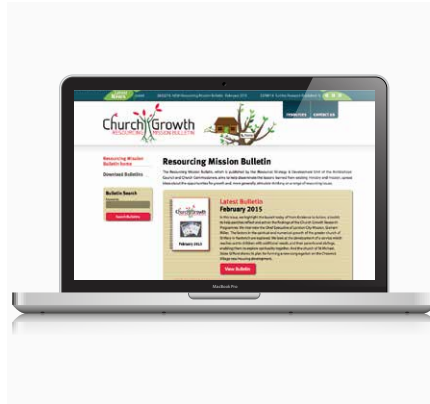
Gateway

Mission development funding is supporting Gateway, a church plant in Wigan town centre founded when 25 people from three churches started meeting in a living room, believing that God was calling them to plant a church in Wigan. Now based in a retail unit in the Galleries shopping centre, Gateway's core commitments are community, discipleship and mission. It meets every Sunday afternoon for worship (see pic). It serves the community in a variety of ways, with a babies and toddlers group, prayer drop-ins, Messy Church and Open Mic sessions and is looking to start a chaplaincy service, art course and lunchtime Alpha course.

Gateway has contributed to the inception and planning of Liverpool dioceses' 'Transforming Wigan' project which aims to turn around the mission and financial strength of the town. In 2014, the project was awarded Strategic Development funding of £900,000 over seven years.

Resourcing Mission Bulletin

Three issues of the Resourcing Mission Bulletin were published on the Church Growth Research and Development website in 2014. All are welcome to sign up to receive the Bulletin via email at www.churchgrowthrd.org.uk/resourcing_mission_bulletin



Strategic Development Funding

£15.0m of funding has been earmarked in 2014-16 to support major growth and change projects in dioceses, plus a further £3.5m from the funding set aside in 2011-13 for research and development.

PIONEER MINISTRY IN LEICESTER DIOCESE

Leicester diocese has been awarded £809,000 of strategic development funding over five years as part of a £2.1m project to expand the diocese's well-established strategy of developing Pioneer Ministry and fresh expressions of Church. Central to the project is the appointment of three Pioneer Development Workers (from l to r) Jonathan Dowman, Matt Pitt and Mads Morgan, to discern, enable, train, accompany and coach lay volunteer teams of licensed Pioneers. www.leicester.anglican.org/shaped-by-god/fresh-expressions-of-church/

"The church faces wonderful opportunities to proclaim afresh, in this generation, the Good News of Jesus and to build His Kingdom. The Church of England is called to serve all the people of this country, and being present in every community, we communicate our faith best when our lives build up the lives of others, especially the most vulnerable. I am excited by the possibilities and challenges ahead."



The Rt Revd Libby Lane was announced as Bishop of Stockport in December 2014 and was consecrated in York Minister in January 2015. She is the first female bishop in the Church of England

Support for bishops

We meet the costs of the stipends and the office and working costs of the archbishops and bishops. We also house diocesan bishops.

Archbishop of York, Dr John Sentamu, talking about the importance of work with young people (see pic), said: "I have the highest admiration for young people and I believe very strongly that they are dreamers, they are idealists, they believe it is possible to make poverty history and to have a world without war and where there is no hunger. I want to be able to enable young people to change the world and to make the world the place that God wants it to become. I remember those words of Mahatma Gandhi who said: "Be the change you want to see in the world." My prayer is that young people will be inspired and enabled to be that change.

Archbishop of York, Dr John Sentamu, with his Youth Trust Director, Dan Finn at the Cottingley Youth Project



York Minster joined in the Tour De France by unveiling its own rooftop yellow jersey with "Allez, Alleluia!". The Dean of York, Vivienne Faull, said: "...knowing how many helicopters and aircraft will be filming and broadcasting to the global audience from the skies above the city, we couldn't resist the opportunity to put a clear Tour De France stamp on top of the Minster."



Support for Cathedrals

We meet the costs of the Dean and two residentiary canons at (almost) all cathedrals. In 2014 this support totalled £5.6m. We also give grants targeted on those cathedrals which are most in need. Cathedrals usually use the grant to support the cost of lay staff posts. In 2014 the grants totalled £3.4m.



Cathedral survey

Jointly with the Executive Committee of the Association of English Cathedrals, we issued a survey to all cathedrals inviting them to share their strategic plans, reflect on the outcomes which they achieved in 2011-13 and share information on future plans for developing their mission and financial strength. A summary of the key themes and issues which emerged in response was circulated to cathedrals in December 2014.

EXETER CATHEDRAL

Exeter Cathedral holds a monthly fresh expression service – Holy Ground – for anyone who is interested in engaging with Christian spirituality in a creative way and who is more comfortable with less traditional models of church. It begins with an act of contemplative and creative worship and then offers the opportunity either to attend a café style gathering, often with a guest speaker, or to attend guided contemplative prayer. Holy Ground

attracts 100+ plus attendees across the age range, with many who are new to faith or reconnecting. The service continues to grow and develop. One attendee wrote '... [the service] was so delicately crafted and thus allowed me to respond to the compassionate and gentle message. I left a particular church expression about a decade ago now...and it has been a long and complicated journey! Thank you so much for providing a space where I can feel safe enough to respond to the 'spiritual' again. I cannot tell you how much that means to me and gives me hope that the part of me I thought lost may have a chance to recover and know peace again.'



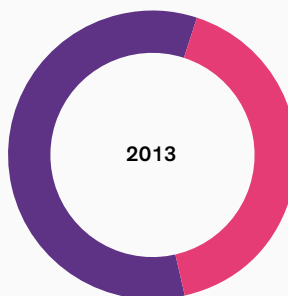
Cathedrals can create a uniquely safe place for people to find and rediscover faith and we are delighted that Holy Ground has proved such a success.



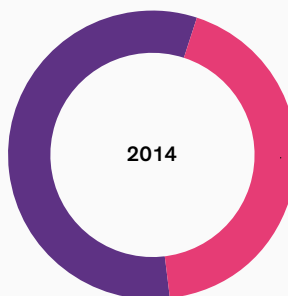
CANON CHANCELLOR
ANNA NORMAN-WALKER

CHURCH COMMISSIONERS' EXPENDITURE 2014 (£M)

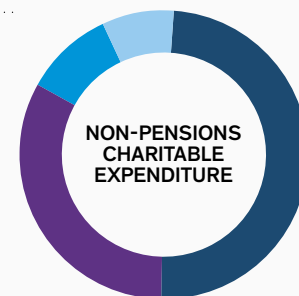
Our parish ministry and mission grants include support for low income dioceses, mission development funding and research and development. Case studies and examples are outlined in the Review. We also continue to support the ministry of our archbishops, bishops, and cathedrals. Other support includes some specific expenditure on church buildings, national clergy payroll costs and our own governance costs. Full details can be found in the Report <https://www.churchofengland.org/about-us/structure/churchcommissioners/annual-reports.aspx>.



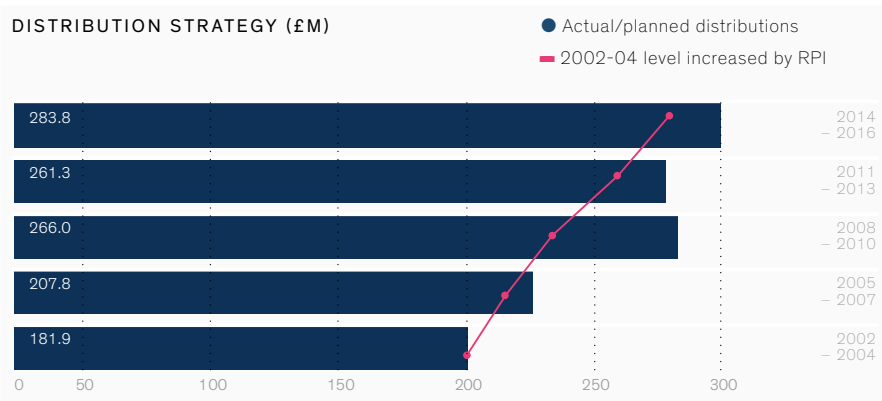
● Pensions expenditure – £121.5m
 ● Non-pensions charitable expenditure – £86.3m



● Pensions expenditure – £122.9m
 ● Non-pensions charitable expenditure – £91.6m

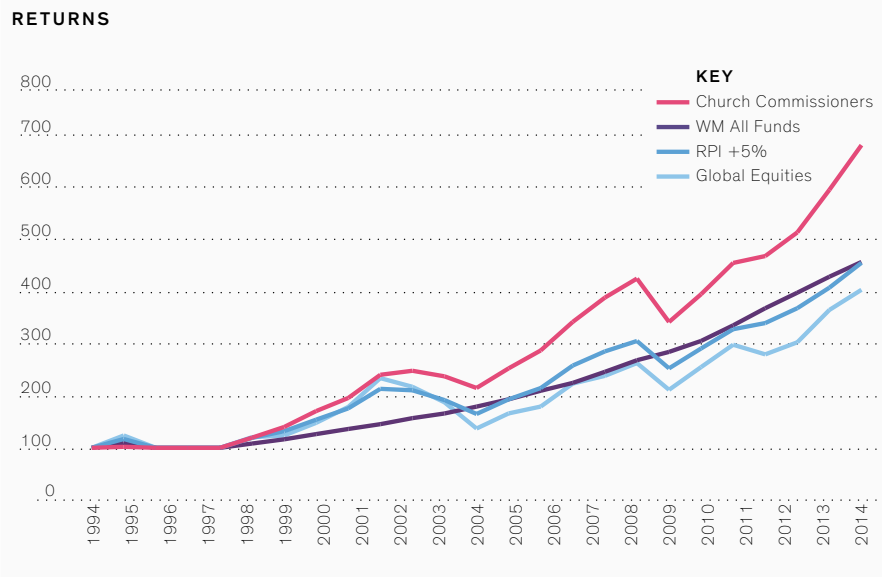


● Parish ministry and mission grants – £46.0m
 ● Archbishops' and bishops' ministry – £32.3m
 ● Cathedrals ministry – £9.1m
 ● Other charitable expenditure – £4.2m



DISTRIBUTION STRATEGY

We aim to meet our pension obligations and to maintain and, over time, grow in real terms our other financial support for the Church's ministry and mission. We plan our spending in three year periods in consultation with stakeholders. Expected non-pensions distributions in 2014-2016 are £283.8m, 56% above the level in 2002-2004. This is equivalent to an average annual increase of 3.8%, exceeding inflation over the period.



RETURNS

Our investment objective is to generate a total return (capital gain and income) averaging RPI+5% per annum over the long term. Over the past 20 years our fund has achieved an average return of RPI+7.2% per annum and over 30 years an average return of RPI+6.3%. Our investment policy is to hold a diversified portfolio of investments across a broad range of asset classes consistent with our ethical guidelines. After taking account of expenditure, our fund has grown from £2.4 billion at the start of 1995 to £6.7 billion at the end of 2014.

MORE ABOUT:

THE CHRISTIAN FAITH

<https://www.churchofengland.org/our-faith/being-a-christian.aspx>

THE CHURCH OF ENGLAND'S WORK ON CHURCH GROWTH RESEARCH AND DEVELOPMENT

www.churchgrowthrd.org.uk

KEY FACTS ON THE CHURCH COMMISSIONERS

[www.churchofengland.org/about-us/structure/
churchcommissioners/key-facts.aspx](http://www.churchofengland.org/about-us/structure/churchcommissioners/key-facts.aspx)



The Church Commissioners for England

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