

THE CHURCH URBAN FUND – A New Future

Introduction

The purpose of this paper is to outline for General Synod the future plans for the Church Urban Fund (CUF), and the consultation process that helped shape them. The fresh opportunities presented to the Church and the challenges involved in achieving our plans are summarised, as is the significant progress already made. In light of this information, and the vision that is outlined, members of Synod are asked to give their full support to the decisions taken by the CUF Trustees concerning the new Church Urban Fund, and in particular to the national cascading Fundraising Campaign to be launched in Spring 2006.

Background

CUF was formed as a national grant making Trust in the mid-1980's as a major response by the Church of England to the groundbreaking 'Faith in the City' report. Focusing on the poorest urban areas of the country it was to run for twenty years, and has to date distributed nearly £54 million to well over 4,000 local initiatives. Whilst debates at Synod in 2000 and 2002 reaffirmed the Church's commitment to ministry alongside the poor and marginalized, and the important contribution that CUF had made in this, the impact of the organisation running down its activities in light of possible closure was considerable. This situation has now changed markedly. The organisation has new leadership, new purpose,

a reconfirmed future, and a new base of relationships across the Church.

Why have a new CUF?

An extensive period of consultation took place between 2003-04 at various levels across the dioceses, with the Urban Bishops Panel, Synod members at fringe meetings, and more widely in the public and voluntary sectors. Key questions asked whether there was continuing need for CUF, and if so, how would the organisation need to change to be more effective within its contemporary context.

Consideration was also given to national social policy and the fact that communities are still blighted by deprivation and poverty.

The resounding message returned that there was:

- A continuing need for an organisation with the track record and credibility of CUF to work with and support the mission of the Church in the poorest areas of the country
- An important role for a national organisation focused on getting funding and development support to local churches, advocating widely for the contribution they make
- A unique role for CUF in using its national overview position to assist the Church at all levels to unlock new resources, and access more effectively the necessary tools and help for initiatives to succeed

- There were also feelings that CUF needed to work more flexibly, more efficiently, and more closely with the Church

Professional research confirmed that CUF funding had a high impact particularly where the organisation has been the first funder, building both local confidence and that of other funders. The result has been that CUF funding has seen significant multiplication at a local level. There was recognition of the potential for this multiplication effect to be extended in future to regional and national levels.

What will the new CUF do?

The consultation helped forge new vision for a revitalised and transformed organisation, fit for its 21st century context, and geared towards enabling the mission of the Church in the poorest communities wherever they are in the country.

Our main objective is to be **a Christian organisation that makes a significant and lasting difference in the lives of individuals and communities blighted by enduring poverty**, and for the organisation to be transformed to carry this out effectively in its contemporary context. CUF will be a self-sustaining and highly effective organisation that invests strategically in faith based community action working with those in the poorest neighbourhoods, employing approaches that bring about positive and lasting impact, and using the evidence and learning from this to influence policy makers and funders.

In what ways will CUF be different?

The consistent message has been that the Church Urban Fund should

- **continue** into the future
- **build on** its strengths and credibility
- **change** ensuring its fit for a 21st century context

What will be different?

- **Urban plus** - tackle serious poverty wherever it is, not just in urban areas
- **Grants plus** – other forms and sources of funding and support to achieve sustainable local activity
- **Adopt an ‘investment’ approach** – much greater emphasis upon sustainability and impact through using CUF resources to help initiatives to stand on their own feet in the longer term; and focusing on lasting and positive change being achieved in the poorest neighbourhoods
- **More power to the dioceses and more partnership** – to plan and decide upon their priorities for focusing CUF money; development of strategic partnership working with CUF; increased role in CUF policy development
- **New money and resources** – through partnerships and national, regional and local programmes with external funding, with CUF using its resources as leverage for non-Church money and support in new ways and ‘brokering’ new alliances for this purpose
- **New levels of support** – not tapering funding but investment tailored to local circumstances, and new large scale programmes to leverage match funding from elsewhere
- **Put more emphasis upon prevention** – investing to break cycles of poverty, and give people new opportunities for flourishing

- **Gather evidence, share learning** – more emphasis upon professional research based on grass roots experience; initiatives to reduce duplication of effort across dioceses; developing and sharing good practice; information about others that can help and sources of funding; and opening new funding doors
- **Tell the story** – celebrating and advocating for the contribution of the Church; influencing Government and others to create more room for the contribution of the Church and release further resources; highlighting injustice in partnership with others

What will be the same?

- The **commitment** to support and resource the mission of the Church
- Annual grants award level of at least **£3 million a year** maintained
- **Close working relationships** with the dioceses and national Church

To support the above, CUF is becoming a **flexible self-sustaining organisation** no longer living on capital but building ongoing support, income generation, and a ‘mixed economy’ approach to staffing (employees, consultancies, outsourcing, secondees, internships, and volunteers).

Why is it important to have the Church Urban Fund?

The main reasons include

1. The **poverty and injustice on our doorstep** – justice and righteousness are the agenda of the Church and there are individuals and whole communities, particularly in urban areas of this country, continuing to

experience the debilitating effects of enduring poverty and facing barriers that prevent human flourishing

2. The Church Urban Fund **empowers local people and churches to take action** with and on behalf of those around them. Whilst Government initiatives come and go it is local churches that are there for the long haul
3. Local churches are uniquely and positively placed because of their long term local presence and mission motivation to work for change in the poorest areas but they need encouragement, equipping, and resourcing to do this. The Church Urban Fund is the **only major national organisation** focusing on supporting church action that combines funding, expertise and the potential to leverage additional resources from outside the Church to support local mission in the poorest parts of the country
4. For the Church of England the organisation is both a **symbol and tangible national expression** of its commitment to ‘good news for the poor’ in this country, providing the opportunity for far reaching responses.
5. The organisation’s proven **track record and experience** in distributing nearly £54 million to well over 4000 local initiatives, covering a breadth of poverty related issues, and consequent credibility with other key players and funders
6. The organisation’s role as a first funder, enabling **significant multiplication** of local project income from other sources (at least eight times), and now with new

potential to repeat this on a larger scale at both regional and national levels

7. The new focus throughout the organisation's practices on **investing in sustainable local action**, helping initiatives move to a position of standing upon their own feet and having a long term strategy. This will enable the mission impact to be both greater and more sustainable.
8. The **new emphasis** upon working more in **partnership with dioceses** enabling them to plan ahead in light of CUF resources available to support their mission priorities, and the development together of new larger scale initiatives
9. In an age where the Church is increasingly marginalised CUF's **new focus** on gathering professionally researched **evidence** for what is actually being achieved at a local level, using it for advocacy and learning in government and other arenas, is absolutely essential

And giving the final word on this to two initiatives supported by CUF:

An initiative in Darlington that provides help to women abused by their partners, and their children:

“Without this funding this project would not have happened. Many women and children would not have had opportunity for support in their new home and without this may consequently have returned to the domestic violence environment.”

An initiative in Liverpool helping young people to try to break out of addiction:

“This initiative has opened the door of the church to youths who otherwise might never have come near the church. Although not yet disciplined, many have had the chance to hear the gospel for the first time.”

How does CUF involvement make a difference?

1. **Being the first funder** – in many cases being the first funder means taking a risk, something that is consistent with our mission imperative. This has consistently created the opportunity for faith based initiatives to have both the confidence and leverage to access other forms of funding in situations where the prejudice of other funders would normally be a barrier.
2. **Multiplication factor** - CUF has built up a good reputation amongst other funders for specialising in understanding and working with faith based initiatives, and for rigour and expertise in grant assessing processes. Being known as the first funder has given confidence not just to the recipients but to other funders resulting in significant multiplication of the original amount awarded by CUF (recent professional research confirms that this is at a level of at least eight times the original amount).
3. **Being a different type of funder** – central to CUF’s new ‘investment approach’ is the enabling of good local initiatives to be sustainable for the longer term rather than lurching from one grant application to another. This includes the introduction of different funding

patterns and types of support that recognise the various stages of an initiative's life cycle, and making more available to parishes and dioceses the additional capacity building tools. Local income generation will also be encouraged.

4. **Providing more than money** – the plethora of funding streams, increasing complexity, and growing professional requirements that surround local initiatives has led to a pressing need for both diocesan officers and parishes to access development expertise tailored to faith based activities. CUF is therefore developing 'sign posting' to what help is available; investing in research, knowledge capture, and the dissemination of good practice; and advocating to other funders and policy makers the important contribution of churches in community regeneration. In addition, the organisation's national overview uniquely places it in a position to help reduce duplication of effort across dioceses, and enable them to work collaboratively on key issues on a regional basis.
5. **Focusing more on outcomes** – upon lasting and positive change being achieved, with a real impact being made in the poorest neighbourhoods that fosters human flourishing and expresses the mission of the Church.
6. **Facilitator of the Church at diocesan and national level** – a new way of working with the dioceses has been developed in discussion with them that reduces previous duplication between CUF centrally and dioceses, and gives more credence to local knowledge and expertise. Dioceses are being empowered to

proactively plan the focus of investment of CUF monies and to identify with CUF possible larger programme initiatives that could be pursued with external funding/resources leverage directly exercised by CUF. This sees the organisation move from a largely reactive pattern of working to a more strategic investment of CUF resources in partnership in particular with those dioceses that have significant levels of poverty. This way of working strategically with the Church has also been extended to a national level as evidenced in the new relationship with the Urban Bishops Panel, and new funding partnership with the Education Division.

Securing a long term future for the organisation

All of this presupposes that the organisation will continue on into the future for as long as it is needed but for this to happen the way in which CUF itself is funded has to change. CUF will therefore over the next few years move to becoming a self-sustaining organisation, no longer drawing on a large capital sum but instead establishing various sources of income and other forms of support.

This will include building a much larger base of committed supporters contributing income, prayer, and in some instances volunteer help. In addition, CUF staffing needs will be covered by a mix of employees, secondments, internships, and volunteers, and those funded from other sources. This has already started to happen. CUF will generate income through using its own resources as leverage and developing partnerships with other funders and specialist providers.

For the new CUF to continue into the future, standing on its own feet, it is essential that the organisation build a base of

ongoing support from committed individuals, and the capacity to foster and further develop that support. The main vehicle for this will be a significant step change in CUF's profile and support through the launch of a national cascading Fundraising Campaign; followed up by ongoing profile raising, donor cultivation and recruitment, and prayer partnership initiatives.

Fundraising Campaign

The Fundraising Campaign will be launched publicly in Spring 2006, not long after the report by the Commission on Urban Life and Faith is published and building upon it. It will run for three years, with the fourth year building on what has gone before in a range of ways. Different parts of the country will be targeted as part of a cascading strategy in discussion with dioceses. The Campaign objectives are listed below in no particular order of priority, and include

- Publicizing the urgent need for enhanced Christian responses to profound and enduring poverty in England
- Promoting the importance of building communities in which people can flourish
- To communicate what has already been achieved by CUF working with churches at local community level
- To inform, inspire and enlist the support of members of the Church of England and broader Christian community, nominal Christians and the wider public, in order to significantly build committed giving and other forms of engagement
- To build fundraising capacity so that on an ongoing basis the organisation can generate income as well as distribute funding

- To resource and enhance the impact of Church social action in response to the Luke 4 imperative and the reality of profound poverty.

Strategy

Appropriate fundraising activities have been devised in the context of a number of key elements. These include consideration of the market place and industry positioning, other initiatives in response to poverty, the profile of CUF donors in past years, and the positive results of recent low-key CUF fundraising exercises. Consultation has taken place through a survey of current donors, holding focus groups, discussions with fundraising experts, and meetings with Bishops and their staff teams.

Leading consultants in their field have either assisted in the development of these plans or commented positively on the achievability of them, engendering a confidence that although the targets for donor recruitment are ambitious they are achievable by 2010.

The strategy will involve:

1. A **Communications Campaign** telling the story of poverty in England and the role of Christian social action at local community level. This Campaign will incorporate the achievements of CUF, the impact of Christian commitment, and people's stories.
2. Implementation of a **three year fundraising plan** that will involve a national Campaign, complemented by a cascading approach to regional/diocesan and parish/individual level fundraising that is tailored to local circumstances in light of discussions with individual

dioceses. The approach will be markedly different than when CUF was set up as no diocesan quotas are involved, and the emphasis will be upon gaining committed supporters generating regular income alongside achieving the Campaign's financial targets.

3. A **range of approaches and opportunities** for engagement, with various strands focusing on key constituencies of prospective supporters. This will be in addition to engaging with the organisation's already very loyal current donors, and a carefully targeted legacy campaign.
4. As part of the lead up to the public launch, a **major gifts programme** will be pursued to gain the support of potential major donors. Preparatory work is already well under way, with the success of this being much more likely with there being evidence of the tangible support of the Church.
5. Setting up a **small highly skilled fundraising team** that will manage central fundraising and support volunteer initiatives of a diocesan, parish and broader nature.
6. The **publication**, as part of a wider high profile research exercise, of a nationally commissioned opinion poll on public attitudes to church involvement with poverty in this country. It is anticipated this will complement the conclusions of the report from the Commission on Urban Life and Faith.

Campaign Income Streams

The Income Plan is based on raising the majority of donations from individuals, with major gifts being a substantial source of income. Other income streams will include family and grant

making trusts, corporates and other organizations, major events and media appeals, and churches. It is envisaged that legacy income will build consistently over the next few years, especially in light of the profile of CUF's current supporter base. Whilst the Campaign will be publicly launched in Spring 2006 work will have already have gone on behind the scenes in securing major gifts, and it is anticipated that the fourth year (2010) will also see sizable income achieved on the basis of building on the momentum that has gone before. Detailed planning has resulted in target annual figures building from just over £2 million in 2006 to £4 million in 2010.

Building the Donor Base

The hallmark of this Campaign is not only the cascading nature of it but also the key focus on donor growth in terms of recruitment and relationship building. The targets for major gifts and building the list of committed donors need to be realistic and yet challenging.

To guide CUF in setting targets and devising delivery systems specialists have been consulted who have also provided letters of comfort, and a benchmarking exercise has been undertaken with respect to building a list of committed donors to 30,000 by 2010. The approach to this will be on several fronts including events, fundraising activities, mail outs and inserts as well as a fully enhanced website, media appeals, radio and television coverage, advertising and the public launch itself.

The focus groups have been completed and the findings are being used to refine the Campaign core messages. Testing mail out and insert materials and propositions is under way, as is work on major gifts and legacies. A guide to assist fundraising in dioceses and at parish level is in hand. A major review of the current donor list (active and lapsed) has taken

place and the plan is to re-engage with many people who supported the organisation in the past. Indications from initial testing of the interest of lapsed donors are encouraging.

Review and Monitoring

Detailed processes and systems for reviewing and monitoring the effectiveness of the different strategies that make up the Fundraising Campaign are being put into place so as to ensure that adjustments can be made as necessary. As part of the Fundraising Campaign a risk management strategy will be implemented to highlight at both an early stage and regular stages thereafter when action is required. These have been discussed in depth with a Working Group of the Archbishops' Council and other senior members of the Church alongside consideration of the nature and deliverability of CUF's fundraising plans.

Support from the Church

The plans for the transformed CUF have been developed in active discussion with the Church at various levels, and consequently the level of ownership of the changes in the way CUF is working is considerable. A revitalized partnership relationship exists with the dioceses with the organisation's new direction and open collaborative culture widely welcomed.

In particular, it has been encouraging to work with and receive the strong support of the Urban Bishops Panel, and then subsequently of the House of Bishops and Archbishops Council.

However, the vital importance of the full support of the Church cannot be minimized and that is why the decisions of Synod in relation to the motions put before it regarding CUF's future are so significant and will have far reaching consequences for the future of the organisation.

Conclusion

The Church Urban Fund is today an efficient, cost effective, forward thinking Christian organisation with dynamic leadership and both a Trustee Board and management team of high calibre. The organisation enjoys widespread support across the Church of England and more widely, and is well placed to be an increasingly significant national faith based player in enabling the Church's mission in tackling the continuing blight of poverty and injustice in this country. Significant progress has been made in the last couple of years in turning the organisation around and putting into place the building blocks for achieving the future plans. The next stage is to develop the necessary ongoing committed support for CUF to release the potential that exists for effective action.

What is unavoidable is the fact that the scandal of poverty in this country still exists, and not just in our urban areas. The challenge therefore remains for the Church to respond as an expression of its mission. A fresh opportunity is now uniquely available through the transformed CUF for the Church to take up that challenge in its 21st century setting; being equipped, enabled, and resourced to do so in ways that will open up new opportunities and access to additional funds.

Fran Beckett
Chief Executive

8th June 2005