



Strategic Investment Board

Annual report 2018

How, then, can they call on the one they have not believed in? And how can they believe in the one of whom they have not heard? And how can they hear without someone preaching to them? And how can anyone preach unless they are sent? As it is written: "How beautiful are the feet of those who bring good news!"

Romans 10 14-15

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Foreword

2018 consolidated and built on the far-reaching funding changes introduced in 2017 under Renewal & Reform. These changes were designed to make sure that the national Church funding is strategically targeted to support the Church's growth and to strengthen its ministry to those who live in our lowest income communities.

The demand for Strategic Development Funding has accelerated as more dioceses have secured funding and as their plans have developed in terms of ambition and scale. They also reflect a growing diversity of approaches and settings, seeking to engage particularly in areas such as deprived communities and in their work with young people – groups where the Church's engagement needs to be strengthened.

The projects now being funded hope for growth of over 50,000 disciples as a direct result of their work and they will also engage with another 50,000 who will potentially become new disciples; since the advent of SDF, projects are reporting that some 8,500 people have, in God's grace, become disciples. The work is also leading to increasing numbers of people exploring their vocations, both lay and ordained, strengthening efforts to deepen discipleship and to growing activity which demonstrates the love of Christ to the wider community.

The Board has overseen efforts to strengthen evaluation, monitoring, and delivery, investing some £2.5 million in dioceses' capacity to develop and deliver their strategies. We are increasing the focus on programmes which help to leverage wider change across the Church. And we are beginning to better understand the different approaches to mission, to learn which of those are delivering the changes we all seek – and to begin to share that learning across the wider Church.

The Board is not complacent. We need to ensure that dioceses are finding suitable ways to apply the lowest income communities funding stream; we need to reach into every part of the Church and will wish to examine how we can increase flexibility regarding the size and source of applications. This is too important a responsibility for us to be anything less than thorough in continuing with self-examination and improvement

I am deeply grateful to those many inspirational people who are developing proposals and then working so hard to implement them, helping to ensure that Christ's message of hope is shared across our country.

John Spence, Chair of the Strategic Investment Board



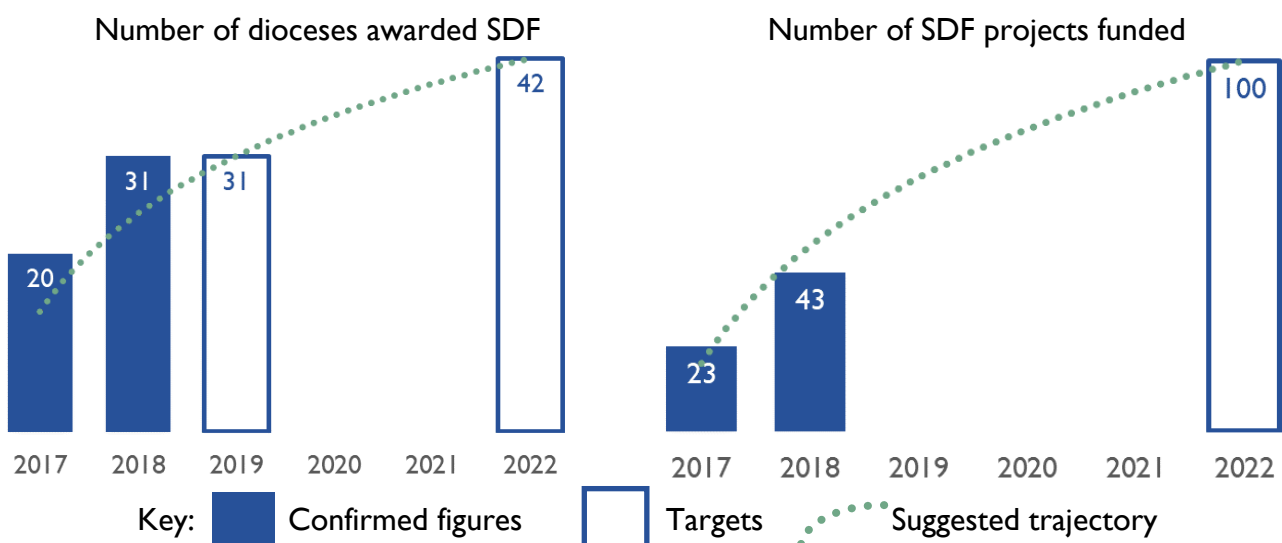
Strategic Development Funding: Progress Against Goals & Measures

Strategic Development Funding (SDF) was first introduced in 2014 and significantly expanded from January 2017. SDF continued to gather momentum during 2018 with the scale and ambition of dioceses' plans increasing significantly and a consequent increase in the demand for funding. Overall, in 2018 the Strategic Investment Board (SIB) awarded funding to 20 projects in 20 dioceses. Since January 2017, 31 dioceses have been awarded SDF.

The projects funded include a wide range of models to grow the Church, many focused on specific areas and those groups amongst which the Church is currently making little impact. Examples are given throughout this report and a list of all the projects currently supported by SDF is at Annex B.

The Archbishops' Council has agreed some goals and measures for the SDF programme from January 2017. Progress against these is shown in the following tables.

<p>Significant proportion for innovative work SDF is supporting a growing number of projects which are developing innovative models of ministry</p>	<p>2/3 of projects are on track to deliver their outcomes 88% currently on track (12% some concerns)</p>
<p>Significant proportion targeted on young people 42% of funding awarded to targeting children, youth and younger adults</p>	<p>Information and learning is informing decision making Learning from projects supported by SDF and from peer reviews is shared with the Strategic Investment Board and with dioceses</p>
<p>Significant proportion targeted on poorer communities 34% of funding has a specific focus on deprived areas</p>	<p>Positive feedback on the application process Feedback from dioceses continues to be broadly positive.</p>



Outcomes from Strategic Development Funding

Encouraging progress is being made. The number of new disciples generated by the SDF programme (since it was first introduced on a comparatively small-scale in 2014) is estimated as 8,500 as at February 2019. Many new worshipping communities have been launched, including fresh expressions of Church, church plants and church planting churches. The projects supported by SDF to date are creating 595 new posts, both lay and ordained.

Strategic Development Funding is supporting projects from a variety of different church traditions. However, the SIB wishes to see - and is actively encouraging – more applications from a wider variety of church traditions for projects which are in line with the criteria for SDF.

Discipleship development in small groups is a feature of many of the church plants that are being supported by SDF and it also underpins most of the other models, such as Carlisle's Network Youth Church, where smaller worshipping units periodically come together for larger events.

The SDF programme is producing a significant increase in the Church's social action in areas covered by programmes supported by SDF. For example, the Acceler8 project in Coventry diocese has established a Community Café in the parish church in a very deprived area with many residents who are lonely and vulnerable, and the Blackpool Centre of Mission in Blackburn diocese's Outer Estates Leadership project has established a strategy called WHEN (Welcome, Help, Encourage and Nourish) to provide social contact for isolated older people. The SIB has agreed to ask dioceses to make clearer in their applications for SDF what social action their programmes will deliver and to measure their progress in this work as part of the evaluation process.

However, the majority of projects supported by SDF are still at an early stage and so, in many cases, it is too soon to start to look for significant progress towards their overall outcomes, although we are monitoring their progress closely. It is also the case that both the national Church and dioceses are learning how best to measure the impact of SDF, for example on developing discipleship through indicators such as small group participation, invitation and giving.

During 2018, staff further increased the support that they give to dioceses on measuring outcomes and impact. When applying for funding, dioceses are now asked to provide an annual trajectory of the outcomes that they anticipate from their project to help them and the SIB to track their progress.

During 2018, the SIB discussed the need for SDF to focus more intentionally on the quality of discipleship, recognising that the Church can only grow if it generates disciples who will make other disciples. Work is currently being undertaken in the National Church Institutions to develop a tool that can be used by SDF projects, alongside the wider Church, to evaluate the impact of projects on measures of discipleship.

The infographic overleaf shows the total outcomes predicted from all SDF grants awarded to date.

Predicted Outcomes of SDF awarded to date

Over **1,100** new lay leaders



480 exploring vocations to ordained ministry



120 mission apprentices



1,700 people trained

Total new disciples predicted as a direct result of projects

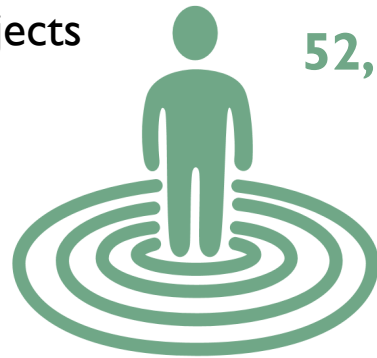


54,000

Number seen so far **8,500**



Predicted new disciples in other areas from spillover effects of projects



52,000

Projects for young people hope to achieve **10,000** new young disciples



And engage with a further **30,000**

Around **300** pioneer posts



And over **1,600** church plants, Fresh Expressions of Church, and new worshipping communities

Strategic Challenges

The Church continues to face very significant challenges and these have informed the distribution of SDF throughout 2018. The challenges include a lack of engagement, as measured through acutely low attendance, amongst Asian ethnic groups, those aged 12-24 and those living in social housing estates and the most deprived areas.

A growing number of projects are focused on better reaching Black, Asian and Minority Ethnic (BAME) heritage communities. In 2018, the SIB awarded SDF to Manchester diocese for a project which includes establishing a network to plant small churches in areas where there is a high diversity of language and ethnicity. Leicester diocese has completed the research phase of its BAME Mission and Leadership project. London diocese's 100 New Worshipping Communities project has generated new congregations focused on engagement with people of BAME heritage communities. For example, Holy Trinity Hounslow has launched new congregations for Gujarati and for Hindi speakers. Liverpool's Multiplying Congregations project has generated a Farsi Bible Church for asylum seekers. However, a great deal more remains to be done.

2018 saw SDF awards being made for projects to strengthen mission in some of the large towns and cities with the lowest levels of attendance per capita, such as Bradford, Dudley and Plymouth. Again, much more needs to be done and the Board hopes to see more applications in 2019 which focus on large urban areas with low levels of attendance.

The ways in which SDF is supporting ministry and mission with children and young people and to deprived areas are explored below.

Themes to SDF funding:

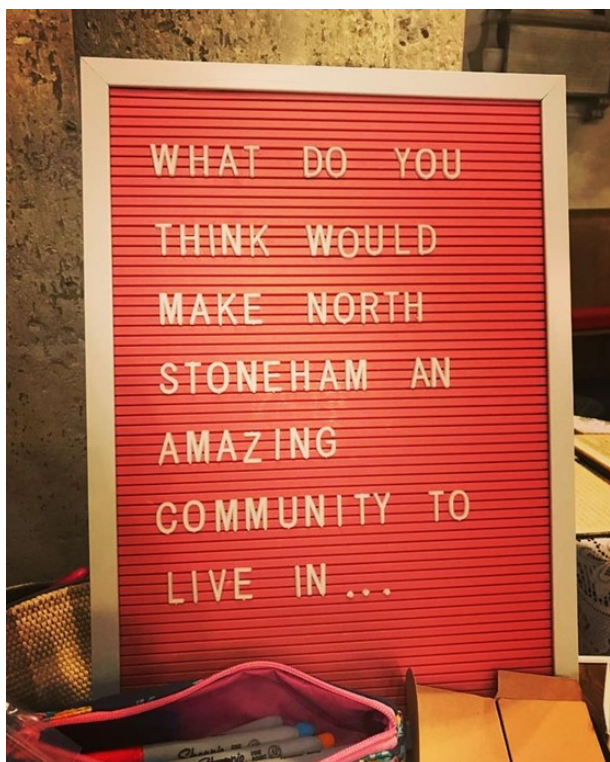
The Archbishops' Council has agreed that a significant proportion of SDF should be allocated to:

- Mission among young people
- Mission to those living in deprived areas
- Projects which are innovative

These themes are explored through the next few pages.

Summary of strategic challenges

Category	How many are disciples?	Population (Total)
12-17 year olds	One in 120	4.0 million
18-24 year-olds	One in 200	5.2 million
20 largest population areas	One in 80	20 million
20% most deprived areas	One in 110	11 million
Inner City and Council Estate	One in 100	8.3 million
Black, Asian & Minority Ethnic Heritage Communities	One in 100	7.7 million
Figures for England	One in 60	55.3 million



Winchester's Mission Action project aims to strengthen and create communities



Portsmouth, Forming New Disciples

Mission amongst young people

One of the key strategic challenges facing the Church is how to engage more effectively with young people. Currently, the Church engages with just 0.9% of 12-17 year olds and 0.5% of 18-24 year olds.

To date, 42% of SDF has been awarded to projects which include a focus on mission to young people. The awards made in 2018, as in previous years, are supporting a variety of approaches to reach young people. For example, Manchester diocese is focusing on engagement with children during key moments of transition at school. Durham diocese will offer vocational training opportunities aimed particularly at 16-30 year olds. Several church-planting churches (for example, in Blackburn, Leeds, Portsmouth and Sheffield) have a specific focus on reaching young people. In York diocese, SDF is supporting a project to place pioneer ministers into parish contexts to grow new worshipping communities focusing particularly on those in their 20s-40s.

Some encouraging results are being seen across the SDF programme from projects that are engaging with children and young people. For example, Coventry diocese's Accler8 project, which is developing ministry with people in their 20s and 30s, has generated 570 additional disciples, including

270 in the 20s-30s age range. The Network Youth Church in Carlisle diocese is engaging with 1,957 young people with 105 now in leadership roles. In Birmingham, the impact of the Children's and Families' Missioners employed through the diocese's Growing Younger project has been such that, for the majority of these posts, parishes have taken on from the diocese the cost of funding them. A recent analysis of church-planting churches has shown that they are engaging with younger generations, with a majority of attendees aged under 30, for example, St Matthias in Plymouth has seen growth in the number of youth and young adults attending to around 300 today.



Coventry Accler8

There are still relatively few projects which are exploring the opportunities to share the Gospel in school settings, and most projects that do include a schools element are still in their early stages. One factor which is emerging is the large scale of engagement in schools that is required to have an impact. One project which includes a schools element has engaged with around 34,000 children, has developed on-going outreach with 640, of whom 69 have moved into a discipleship group. There is significant interest in this kind of model but more evidence is needed on the impact of projects which focus on school settings compared with the impact of alternative ways of engaging with children and young people.

Huge challenges remain for the Church in engaging with children and young people. These need to be addressed throughout the Church on many fronts, but mission to children and young people will remain a key focus for SDF.

That said, we are steadily gathering learning from the projects supported by SDF. This shows that work with children and young people is more likely to be successful if it:

- Is intentionally evangelistic;
- Recognises that children and young people are inquisitive, questioning and ready to tackle challenging issues around spirituality and ethics in an open and discursive environment;
- Develops social interventions which have a clear direct invitational approach to discipleship;
- Provides pastoral care, good line management and high quality training for post-holders who are specifically focused on developing children's and youth work, e.g. mission apprentices and children's and families workers.
- Promotes engagement and ownership amongst the existing congregation.



As part of London's Capital Youth project they developed a guide to welcoming young people into the church with cartoonist Dave Walker

London Capital Youth, awarded June 2017

London diocese is seeking to double the number of young people involved in local Christian communities. Five youth minsters have been established and are pioneering fresh expressions of church for young people. The diocese is placing at least one youth advocate in each episcopal area, training more youth workers and developing training for clergy in youth work. Parish ministry is being further strengthened through grants for youth work projects and by building on the existing pioneering apprentice scheme. The project also aims to develop stronger links with schools, for example through developing Christian Unions, football academies and prayer spaces.

Capital Youth's investment in youth minsters has seen strong growth in the number of young people attending specifically faith-based activities. The project has published a booklet, illustrated by Dave Walker, for use in churches in the diocese as an introduction to how to engage with young people.

Peterborough Generation to Generation

awarded June 2018

This project is investing in the training and employment of high-quality training and employment of children's and youth missionaries to develop patterns of innovative and effective outreach and discipleship amongst young people with a view to replicating this elsewhere. The diocese's successful Youth Ministry Apprenticeship programme will be developed from 1 year into a 5-year training and employment programme. Apprentices will progress into an undergraduate training course lasting up to 3 years and then be employed full-time for at least a further year. The scope of the programme is being expanded to include ministry with children and families and an emphasis on intergenerational ministry.



Peterborough's Generation to Generation project launched a contemplative Taize style service aimed at young people. It provides a chance to enter into a beautiful space, tap into creativity, feel a sense of the sacred and find refreshment.

Coventry Acceler8

awarded June 2015



“A particular highlight for me has been The Evening Mass – a weekly service combining traditional Catholic ritual and liturgy with band-led charismatic worship which launched in June 2018 – it will be really exciting to see how this service continues to develop.”

Quote from Claire, who attends St John's Leamington Spa along with other churches which are part of Coventry's Acceler8 project.



As part of Manchester's Small to Small Community Church Plants project a church was set up on Oldhams estate by a pioneer curate and now attracts 50-60 worshippers at the Barlow Park Community Centre.

Mission in deprived areas

One of the biggest challenges that the Church faces is how to undertake effective mission in deprived areas. Church attendance is 0.9% per capita in the 20% of areas which are assessed as being the most deprived and 0.8% per capita in social housing estates. It is clear that the Church is failing in its engagement with these communities.

To date, 34% of SDF has been awarded to support mission in deprived areas. Dioceses are using a variety of models and the 2018 awards of SDF reflect this. Plants into estates form the basis of projects in Blackburn, Chelmsford, Durham, Exeter and Manchester dioceses. In Bristol diocese, the Pattern Church is seeking social transformation through ministries in areas of principal need in Swindon, including deprived communities in estates. Leicester diocese is creating a network of church-planting churches in key city centre and market town locations which will look to connect with the whole of their communities, especially those most in need. Pioneer ministry in estates is being supported through projects in the dioceses of St Edmundsbury and Ipswich and York.

Evidence so far suggest that mission in deprived areas works most effectively when:

- There is a clear and intentional pathway which moves from engagement and welcome to discipleship.
- Projects engage community members in the design and implementation of the project and base leaders within the community.
- The local context is understood and reflected in the project design.
- There is a strong package of support for leaders, including a network which leaders can access for advice and support, investment in the development of local grassroots leadership, and creating a clear identity for leaders.

“I believe passionately that if we are serious about the renewal of the Church we must commit ourselves afresh to proclaiming the Good News to the poor.”

Bishop of Burnley, Rt Rev Philip North



A small group in Canterbury's Ignite project

Canterbury Ignite awarded June 2018

Canterbury diocese is seeking to establish nine new worshipping communities throughout the diocese and in the Channel Islands, based on the model of "Ignite", a fresh expression of Church which aims to reach marginalised and deprived communities.

These new worshipping communities will be based in existing churches and paid 'Enablers' will be placed in each host church to lead the work locally with the assistance of volunteer support for three years. Enablers can look for guidance and support from an experienced overall project lead.

Canterbury will seek to use the Ignite methodology and 'Ignite DNA' in other contexts and localities within the diocese, the Channel Islands and further afield - with the view to Ignite becoming a nationally recognised model.

St George's & St Paul's Ireland Wood Church Planting to Strengthen Mission Across the City of Leeds

awarded December 2017

St George's in Leeds is building a 'culture of invitation', hosting twice-yearly 'Hello Sundays' where the congregation are encouraged to bring a friend: at the last event there were 190 extra guests.

In January 2018 a planting team of 45 left St George's to strengthen the church of St Paul's in Ireland Wood, a highly deprived estate north of Leeds. The team have had a strong emphasis on engaging with the local community, running a toddler group and an Alpha course, amongst other events. The congregation has shown steady growth, exceeding their original goal for the first year. Community engagement such as intentional involvement in the local foodbank and 'baby baskets' of supplies for new mothers means that there is now a substantial fringe group to draw further into their church family. Increasing discipleship is evidenced by the fact that 45% of the congregation attend a small group.



The Good Friday procession at St Paul's Ireland Wood



Hereford, Growing Intergenerational Mission

Innovative projects

In 2018, dioceses have continued to develop innovative models of ministry through their projects. Many are to be found in projects which are supporting mission with children and young people and in deprived areas highlighted elsewhere in this report, for example in Canterbury and Peterborough dioceses.

New approaches to church planting continue to be developed, for example the networks of church-planting churches being created in Leicester and the missional communities being planted in Chelmsford diocese. The church-planting churches model is being extended beyond cities into towns. For example Ely diocese is focusing on enabling and sustaining church growth in small and medium-sized towns across the diocese, with an initial focus on seven towns. Other dioceses, for example, Leicester, St Albans and Carlisle, are seeking to create a bottom-up church planting culture. In St Edmundsbury and Ipswich, the Growing in God project includes investment in rural Suffolk, developing the existing Suffolk Fresh Expressions Community through forming small missional ecclesial groups enabling fresh expressions of church, and three rural church-planting churches. Increasingly, there is an emphasis on new models of training and development, for example the vocational training opportunities being offered by Durham which include a mixed mode pathway at

Cranmer Hall and a ministry experience volunteer scheme and Southwell and Nottingham diocese's School of Discipleship which focuses on the spiritual formation and training of lay disciples and leaders in mission. Blackburn diocese's project to revitalise ministry in a Preston city centre parish will develop a role model for Anglo-Catholic evangelistic leadership.

SDF is also supporting some projects which are seeking to deliver radical structural change to create a new platform for mission. For example, Birmingham diocese was awarded SDF to support its project to grow the Church by re-imagining how to transform and sustain ministry with collaborative and accountable teams of ordained and lay leaders, deployed justly across a diverse population and by developing and equipping potential leaders.



One of Manchester's 'Small to Small' community churches

Learning from innovative programmes emphasises the need to:

- Invest time, prior to the intervention, in creating buy-in to the project amongst all interested parties, both at diocesan and local level.
- Develop a strong package of support for leaders, developing their evangelistic and prophetic gifts alongside other leadership qualities.
- Create new worshipping communities. Projects which involve establishing new worshipping communities – be they new congregations within existing churches, fresh expressions of Church, or resource churches – are delivering numerical growth, and reaching dechurched and unchurched people, more quickly than other approaches. There are likely to be many reasons for this, but the fact that they are by their nature mission-focused from the outset and can easily be designed around the needs of those with no experience of Christianity, are likely to be relevant.

Liverpool's Multiplying Congregations, awarded December 2017

Liverpool diocese is seeking to multiply congregations within existing parish and deanery structures, developing a low-cost model which will complement conventional church planting. New congregations receive support at a formative stage to maximise their potential for growth, long term sustainability and replication. Each new congregation will have a recognised leader, trained and supported by a core leadership team.

14 new congregations are already in place amongst a range of groups, including young adults, asylum seekers and schools.



A new worshipping community in Halebank, part of Liverpool's Multiplying Congregations project

Lincoln Urban Centre Renewal, awarded June 2018

The diocese is investing in large scale parish growth through a strategy to revitalise the Church in areas of higher population. The project supports this strategy by developing three city/town-based church-planting churches from three existing large churches: St Swithin's church, Lincoln; St George's church, Stamford; and Lincoln Cathedral.

To regenerate faith in the city centre, Lincoln Cathedral will develop into a centre for formation in catholic mission, in collaboration with other catholic practitioners across the diocese. The cathedral will recruit a cohort of three catholic missionaries (curates) who will learn from and invest in the work of the cathedral and its neighbouring parishes, each planting new or revitalised churches within or at the end of their curacies.

“Each [new worshipping community] will provide a dynamic Christian outreach with adventurous and pioneering leadership. Alongside our many thriving parishes, they will be a transforming presence, serving the new communities that will arise and calling people to faith in Christ.”

Bishop Peter Hill, Bishop of Barking on Chelmsford Diocese's 2018 award.

Learning from SDF Delivery

We have reflected carefully with dioceses to identify learning points from the delivery of SDF programmes to date. This suggests that programmes are more likely to be impactful if:

- Diocesan teams have a clear 'mission theory' which spells out how their proposed interventions are likely to lead to the outcomes anticipated;
- Interventions are focused on a particular target group (geographical and/or social demographic) rather than spread more widely across the diocese;
- There is rigorous budgeting of costs and income;
- The diocese's senior clergy are prepared to show disruptive leadership to address blockages and persistently communicate a vision for change;
- A member of the senior diocesan leadership team has overall responsibility for leading the programme;
- Diocesan teams have programme managers to help develop and deliver their programmes and a robust governance structure (e.g. a programme board) overseeing progress;
- Diocesan structures, policies and practices are aligned to the goals of the programme.
- The diocese invests time and resources in recruiting excellent leaders, in their training and in developing a leadership pipeline.
- There is early, widespread and consistent stakeholder engagement resulting in those affected understanding and committing to the programme.
- Sustainability is built into the programme from the outset.

SDF has provided new opportunities for the national Church and dioceses to target resources in a very intentional way on key challenges which the Church is facing, both across England and in specific diocesan contexts. It provides funding for dioceses that have robust plans for making new disciples, focusing investment in certain areas of a diocese or among specific demographic groups with the aim of turning decline into growth.

SDF has highlighted the need to evaluate how resources are allocated and used, both at national and diocesan level. It has also helped to encourage dioceses to unlock their historic resources in order to support growth.

During 2018, SDF has continued to help incentivise dioceses to strengthen their strategic planning and delivery. Some dioceses are already delivering - or planning for - a pipeline of SDF projects to help them to deliver their strategy.

Responding to the Learning from SDF

The emerging lessons from the overall programme are informing the support offered from the national Church to dioceses. This support for dioceses is not just focused on the development of their applications but on the delivery of their programmes. Staff assist dioceses with their recruitment of programme managers, sit on the programme boards that dioceses have created to govern their SDF programmes, and undertake regular evaluation meetings. Staff seek to support and advise dioceses, whilst monitoring the outcomes against those anticipated from the programme and capturing the learning.

Other funding & SDF processes

Diocesan Strategic Capacity

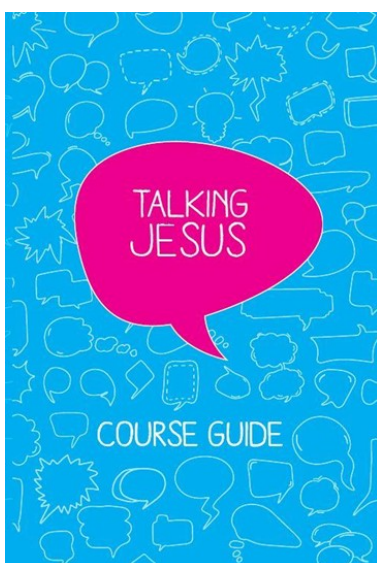
SDF is available to dioceses to help them to address constraints in their capacity to develop and implement their strategies. In 2018, 15 awards were made to 12 dioceses. As in 2017, the most common use of the funding has been to strengthen capacity by recruiting programme managers. Since 2017, awards have been made to fund 18 programme managers (including 3 on a part-time basis). Other uses have included support for staff posts to develop vocations and stewardship.

Non-Diocesan Funding

The Archbishops' Council has set aside £2m p.a. of SDF for non-diocesan projects:

- £1m p.a. for infrastructure development in the National Church Institutions (NCIs); and
- £1m p.a. for major (£0.5m-£1m) grants for projects to strengthen mission on themes where new approaches might be developed which would not easily stem from diocesan applications.

In 2018, the SIB awarded non-diocesan SDF of £806,000 for an infrastructure development project focusing on the development of Fresh Expressions work. This will build on the work undertaken by the Fresh Expressions charity, but focused on developing fresh expressions within dioceses, and specifically the Anglican context. This award brings the total number of non-diocesan awards made in 2017-18 to six. The progress and outcomes of the projects will be regularly reviewed.



Unsuccessful Applications

There is a two-stage application process for SDF for dioceses: a shorter first stage application and a detailed project plan at the second stage.

All second stage applications for SDF in 2018 were successful. However, four were offered less funding than they had applied for. This was particularly the case when there had been a substantial uplift in the amount requested between Stage 1 and Stage 2.

Two Stage 1 applications were unsuccessful in 2018 and two others were invited forward to the second stage with an offer for a lower award than they had sought. The reasons for applications being unsuccessful, or for the size of awards being reduced, most commonly relate to concerns about delivery capacity and/or the strategic impact of the proposal.

The Strategy and Development Unit (SDU) continues to work closely with all dioceses preparing applications for SDF and strives to minimise the number of proposals which are unsuccessful. The SDU encourages dioceses to re-think proposals and postpone applications where necessary to help ensure a strong proposal which is in line with the SDF criteria.

Monitoring and Evaluation

All projects are required to submit regular evaluation reports and to review progress with the Strategy & Development Unit at least twice a year. They are also asked to undertake a final evaluation at the end of the project, which should include an independent element. Projects funded since 2017 which run for 4 or more years will participate in a mid-project review.

The processes for monitoring and evaluating projects supported by SDF are being refined and developed further, which will include how best to capture (and then share) thematic and other learning across projects.

Financial Position

The Archbishops' Council and Church Commissioners have agreed that SDF should be a ten-year programme stretching from 2017-2026, building on the SDF grants which were made in the 2014-16 triennium.

£75m of SDF was made available in the 2017-19 triennium. However, the Commissioners' Board of Governors has agreed that the grants may be awarded on the basis that the cash drawdown keeps within the limits of the monies made available. The SIB was therefore able to award a total of £112.74m of SDF in 2017 and 2018.

However, the SIB is mindful of the need to ensure that the overall amount of funding committed does not outstrip the money likely to be available for distribution over the 10-year programme. In making its awards of SDF in December 2018, the SIB did not offer some dioceses all the funding that they had requested. The SIB also agreed, in view of the tightness of the overall funding position and pending the Commissioners' and Council's decision on the overall amount of funding to be made available for SDF in 2020-2022, to cancel the April 2019 funding round. Applications for the next tranche of SDF will therefore not be made until October 2019.

Strategic Development Funding (SDF)	Available	Awarded in 2018	Paid in 2018 (in respect of 2017 & 2018 awards)
SDF for Dioceses	£20.3m	£61.6m	£6.1m
Strategic Capacity*	£2m	£2.5m	£1m
SDF for non-diocesan organisations	£2m	£0.8m (Note 1)	£0.5m
Research, evaluation and dissemination	£0.4m	£0.3m	£0.2m
TOTAL	£24.70	£65.3m	£7.7m

Note 1: £326,000 of this is conditional grant funding and is subject to a project review.

Spending for most projects tends to be low in the first year whilst they are getting off the ground and whilst, for example, staff are recruited. The table below shows the actual and estimated cash flow in 2018 to 2026 for projects awarded funding since January 2017. Further awards from 2019 will incur additional expenditure not shown here.

*As with SDF for dioceses, the Capacity Funding is managed on a triennial basis.

The table below summarises the cashflow of awards made in 2017 & 2018:

Strategic Development Funding (SDF)	Paid in 2018	Est. Cash Flow 2019	Est. Cash Flow 2020	Est. Cash Flow 2021	Est. Cash Flow 2022	Est. Cash Flow 2023	Est. Cash Flow 2024	Est. Cash Flow 2025	Est. Cash Flow 2026
SDF for dioceses	£6.1m	£15.2m	£24.4m	£19.5m	£15.6m	£12.5m	£8.1m	£3.1m	£0.3m
Strategic Capacity Funding	£1m	£1.7m	£0.8m	£0.1m	£0.06m	£0.06m	£0.06m		
SDF for non-diocesan organisations	£0.5m	£0.7m	£0.5m	£0.2m	£0.2m	£0.2m			
Research, evaluation and dissemination	£0.2m	£0.1m	£0.05m						
Total Estimated Cashflow	£7.7m	£17.8m	£25.8m	£19.8m	£15.8m	£12.7m	£8.2m	£3.1m	£0.3m



St Cath's in Coventry Diocese has been supported by Lowest Income Communities Funding and runs a foodbank, cooking club, credit union and playgroup for the local community.

Lowest Income Communities Funding

Lowest Income Communities (LInC) funding was introduced in January 2017, replacing the previous 'Darlow' funding. The money is paid according to a formula to 25 dioceses and seeks to give dioceses extra capacity for the strategic reallocation of funds to support the Church's mission in the poorest communities. Over time, the aim is that the funding will be directed towards lowest income communities to support and develop the Church's mission, i.e. the funding will be investing in growth. In 2018 the LINC funding totalled £24,6 million.

Transitional payments, totalling £10.9 million in 2018, are also being made, tapering down over a ten-year period, to assist dioceses who are receiving less funding than they did under Darlow. In addition, all these dioceses have been offered a one-off sum of Restructuring Funding in 2017-19, totalling £12.79 million.

Dioceses are asked to provide information to the national Church on how they use these funds, in order to facilitate accountability and mutual learning.

The responses to a survey on the use of the funds in 2017 showed that there was wide variation in the extent to which dioceses could account for the funding at parish level – and therefore the extent to which they could assure the SIB that the funding was being targeted at the poorest parishes. It also showed that, while some dioceses have made considerable progress in adopting systems which ensure specific targeting of the funding in their poorest parishes, most dioceses had more to do, although some were in the process of planning how to do this. A summary of the responses and examples of best practice were sent to dioceses in November 2018

For the 2018 survey, dioceses were asked for information about how their distribution of overall diocesan resource supports mission and growth in lowest income communities, including their deployment policies, their distribution of the LInC funding in 2018, their plans for the use of the funding over the next few years, and how they will assess the impact or effectiveness of the LInC funding.

The responses show that, while there is still variation in the extent that dioceses can demonstrate they are targeting the funds on the lowest income communities, progress is being made. The responses have provided a more complete picture than the previous survey of where the funds are being deployed at parish level, with more examples of the type of ministry and mission being supported.

Lowest Income Communities Funding

The number of dioceses with systems which specifically target the funds on identified parishes is similar to last year. Typically, this is done either by intentionally reducing the share request or by funding new projects. The majority of dioceses are still distributing LInC funding through their parish share in a less targeted way (ie through the difference between the cost of ministry and parish share paid). Although in most cases the amount of funding attributed to poorer parishes corresponds to or exceeds the amount of LInC funding, it is not as well targeted as the best systems. However, the improvement in reporting means we should have a much clearer picture of which parishes are receiving support.

An increasing number of dioceses are reviewing their parish share systems to identify how they can better focus the funding on their most deprived parishes, and several plan to introduce new systems during 2019 or 2020. In some dioceses, this extends to examining their deployment policies to ensure deprived parishes receive a fair share of ministry resource.

The use of transitional funding (for dioceses where the funding is reducing compared with the previous 'Darlow' formula) is also clearer. Whilst most continues to be used to reduce the parish share request for those parishes who have received historic but untargeted support, more dioceses are reporting pro-active and focused work to help such parishes become more sustainable. However, this is often proving challenging against a wider backdrop of stagnant parish share receipts.

The SIB will be reviewing the responses in more detail and will make recommendations to dioceses.

Plans for the use (in whole or in part) of the Restructuring Funding have so far been received and funding released to 19 of the 21 dioceses that are eligible to receive it. Those dioceses which have not yet submitted plans have been asked to do so by the summer of 2019.



Case study: **St John's, Parks, Swindon**

The parish of Parks and Walcot, Swindon is in the top 10% of deprivation in the country and receives LInC funding. This has supported them in developing a ministry amongst unchurched women on the estate who are survivors of childhood trauma.

Over the past few years, a combination of building relationships gently, offering prayer and sharing the gospel in a multi-sensory way – using art, holding crosses, oils and laminated bible verses – has led to a significant number of mostly single-parent mothers and their children coming to faith. 28 adults have been confirmed since 2013. A weekly choir began in 2018 which has further developed relationships and faith. This has now led to a new fresh expression of Church once a month called Crazy Christians, after Bishop Michael Curry's book of the same name. This is led by women from the estate with 30 adults and 30 children in attendance, with the incumbent, Revd. Linda Fletcher empowering them through a behind the scenes support role. St John's also runs a Messy Church, as well as several other outreach activities.

Dissemination & Learning

Research, Evaluation and Dissemination

£1.3m of SDF has been earmarked in 2017-19 for research, evaluation and dissemination (RED).

In 2018, the SIB awarded £166,000 to the Research and Statistics Department in the National Church Institutions for a project to undertake congregational surveys to enable the Church to understand better the key demographic and behavioural characteristics of the people in its congregations; to collect information on lay ministry already underway or planned in dioceses; and to enable the Church to identify and better quantify the number and size of fresh expressions of Church.

Grants were also made towards the Talking Jesus course, which aims to equip people to share their faith, and to support a conference to help equip and encourage and renew clergy, ordinands and other ministers working in Anglican parishes of catholic tradition in the task of mission and evangelism.

Disseminating the Learning

Dissemination of learning from the programmes overseen by the SIB has taken place in 2018 through individual discussions with dioceses, peer review meetings, strategic learning communities and the national Symposium. In February 2019, a fringe meeting was held at the General Synod on 'Reaching the Missing Generation' with guest speakers from SDF projects in Coventry, Carlisle and Plymouth sharing their experience and what they had learned.

Dioceses are encouraged to share their learning with each other. Exeter and Coventry dioceses have each hosted events to share learning from their Support for Rural Churches and Acceler8 projects respectively and Ely diocese ran a workshop on mission in market towns. A conference on interim ministry held by Chelmsford diocese in 2017 has led to the formation of a network of interested parties to whom regular bulletins are issued.

Messy Church

In February 2019 the Church Army's Research Unit published the results of a two-year study into Messy Church, building on earlier research which identified

that Messy Churches were the most common form of fresh expression of Church. The project was commissioned by the Strategy & Development Unit in 2016, acting on behalf of the Archbishops' Council, and was funded through the research, evaluation and dissemination strand of Strategic Development Funding.

This 'Playfully Serious' suite of reports is available on the Church Army's website. The conclusions of the research are being shared through a range of channels and include the following important learning points:

- Messy Churches can be found in every context, from the economically most deprived to the most affluent areas, and in rural areas, towns and cities. Levels of maturity, discipleship, impact and practice are similar across the diversity of where and when Messy Churches meet.
- Messy Churches which see themselves as new church congregations have significantly higher impact – for example in the numbers of changed lives and higher levels of progress in prayer and teaching – than Messy Churches which are acting only as outreach from another congregation.
- Messy Churches are predominantly led by women, laypeople and volunteers. Their contribution to the spiritual development of so many not-yet Christians is of incredible benefit and the leaders' role in this should be supported and celebrated.





Strategic Learning Community events bring together senior diocesan teams from several dioceses to reflect, plan and learn from each other.

Diocesan Peer Review

The aims of the peer review programme are to facilitate shared learning between dioceses, to help ensure mutual accountability over how resources are being used, and to provide value to diocesan senior teams. Peer review involves a panel of three reviewers spending a day with the diocesan bishop, diocesan secretary and other senior figures in the diocese discussing a wide range of issues. The process is aided by a self-assessment completed in advance by the diocesan senior team and concludes with a confidential report from the panel to the bishop. We have learned that the dioceses who gain the most value from peer review are those who put the greatest effort into the preparations and who are most open and reflective in the meeting.

All 42 of the Church's dioceses took part in the first round of reviews which concluded in April 2018. The process was adapted after wide-ranging consultation and the second round began in June 2018, with reviews taking place two years or so after the first ones. 17 second-round reviews had taken place by the end of March 2019, and the remainder are being planned. We ask dioceses and peer reviewers to evaluate a range of aspects of the process after each review: the average scores from dioceses lie around 4 on a scale of 1 (very poor) to 5 (excellent); reviewers' scores sit between 4 and 5.

“Helpful discussion about the key issues we face as a diocese, with some insightful and probing comments/questions. The reviewers were supportive and also challenging – it genuinely felt like a ‘peer’ review by critical friends.”

Quote from a peer review participant

Learning From Peer Review

Looking across the second-round reviews which have taken place, peer review panels have most commonly pressed diocesan senior teams to increase their focus in 5 areas: communications, financial planning, growth, prioritisation, and the use of Lowest Income Communities Funding. Expanding on some of these points:

- It is clear that the financial challenge facing dioceses is more significant than it was when the first peer reviews took place, and additional steps are required towards financial sustainability;
- Examples of the specific points made by panels to senior diocesan teams in relation to growth are the need to talk openly about the importance of numerical growth, to follow through on Mission Action Plans, and for more overt encouragement of church planting and fresh expressions;
- While the Lowest Income Communities Funding does seem to be reaching communities with the lowest incomes, peer reviewers highlighted the need for several dioceses to be more missionally intentional about the use of this funding and to consider further how they can demonstrate its impact.
- The peer review process has also identified many examples of good practice including the following:
 - Examples of dioceses who had previously set clear visions and strategic direction and were persistently focused on those visions;
 - Dioceses using numbers as part of their vision statements or strategies to demonstrate the scale of the change being prayed for and planned for;
 - Dioceses which have re-organised their senior team meeting structures to focus on enabling change, with improved accountability and supported by better information;
 - The increasing use of interim or transition ministry when an incumbent leaves a post, together with a greater willingness to tackle individual cases where growth and mission might best be served by an incumbent moving on from their role;
 - Examples of substantial programmes to develop lay ministry or discipleship more broadly.

Learning points from peer review are shared with the SIB at each meeting. A tailored presentation on relevant learning is also provided during each peer review meeting, offering information and signposts gleaned from other reviews, SDF projects, recent research and other sources.

Conclusion

There have been many encouragements in 2018. The SDF programme has gathered pace throughout the year and is supporting a wide range of projects across England. Many projects that were awarded funding in earlier years are starting to generate growth, including in places and amongst groups with which the Church has had little effective engagement in recent decades. Learning is being gathered and shared. Dioceses in receipt of the LInC funding are making progress in targeting this funding on their most deprived parishes. Whilst it is still very early days, and very many challenges remain, the indications are that the funding reforms introduced in January 2017 are providing a secure platform from which to help the Church to grow.

numerical growth • sharing the story of Jesus • working for the
journeying together • working for the com
g for the common good • worship and witness • loving and serving our communities • releasing the gifts of all God's people • **Living and Telling** • trust in God's holy spirit • confident, every
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The frontispiece from Bath & Wells' SDF application

Annex A:

Members of the Strategic Investment Board in 2018

Richard Best (from May 2018)

Viv Faull (until December 2018)

Matthew Frost

James Harrison

Katherine McPherson

Loretta Minghella

John Spence (Chair)

Cherry Vann

David Walker

Annex B:

SDF awards to dioceses in 2018

Diocese	Project	Date of award	Amount of SDF awarded
Bristol	Pattern Church - a catalyst for mission in Swindon	June 2018	£1,491,515
Canterbury	Engaging and growing disciples in the most marginalised and deprived communities	June 2018	£887,015
Ely	Changing and growing the Church in Market Towns	June 2018	£2,134,361
Exeter	Church engagement and growth in the deprived urban estates of Plymouth	June 2018	£1,687,743
Leicester	Growing the church in key city centre and market town locations	June 2018	£5,344,023
Manchester	Nurturing and growing disciples amongst the young and those living in deprived outer estates and highly diverse communities	June 2018	£2,139,893
Newcastle	Revitalising ministry in the heart of Newcastle	June 2018	£2,556,746
Peterborough	Innovative and effective outreach to grow young disciples	June 2018	£1,134,087
Southwell & Nottingham	Developing young leaders and growing new disciples across the diocese	June 2018	£4,670,459
Worcester	Revitalising ministry in Worcester and Dudley	June 2018	£5,005,220
Birmingham	Reimagining ministry across the diocese to strengthen and grow the Church	Dec 2018	£5,000,000
Blackburn	Growing mission and revitalising ministry in Preston city centre	Dec 2018	£1,519,726
Chelmsford	Strengthening mission in Southend, Stratford, the South Becontree estate and other areas across the diocese	Dec 2018	£3,848,000
Durham	Church growth and engagement in Bishop Auckland, Durham, Gateshead, Stockton and Washington Oxclose	Dec 2018	£3,895,849
Leeds	Revitalising ministry in Leeds and Bradford	Dec 2018	£3,918,999
Lincoln	Strengthening mission in urban centres, including Lincoln and Stamford	Dec 2018	£2,675,507
Portsmouth	Growing the Church in Southsea and Portsmouth	Dec 2018	£2,180,900
Sheffield	Strengthening mission and ministry in the deprived areas of Rotherham, Wath and Goole	Dec 2018	£3,520,550
St Edmundsbury & Ipswich	Mission and growth in Ipswich deanery and rural Suffolk	Dec 2018	£4,950,000
York	Mission amongst those in their 20s-40s	Dec 2018	£3,065,000

Annex C:

SDF awards to non-diocesan organisations in 2018

Organisation	Project	Date awarded	Amount of SDF awarded
Evangelism & Discipleship Team, National Church Institutions	Investment in capacity to support, develop and embed fresh expressions of Church into the life of the Church of England at every level.	Dec 2018	£806,000