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
Table of Contents

Foreword 3
Lowest Income Communities Funding 4
Strategic Development Funding: Progress and Outcomes 7
SDF Awarded in 2019 10
Map of Projects Supported by Strategic Development Funding 12
Strategic Challenges 13
Mission to Children & Young People 14
Mission in Deprived Areas 16
A Look Ahead to 2020-22 and Beyond 17
Non-Diocesan Funding 19
Financial Position 20
Evaluation & Monitoring 21
Learning from SDF 22
Diocesan Peer Review Programme 24
Conclusion 25
Annex A: Members of the Strategic Investment Board in 2019 26
2019 saw continued progress in the implementation of the far-reaching funding changes introduced under Renewal & Reform in 2017. 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 range and diversity of proposals now being funded by Strategic Development Funding is continuing to grow, across traditions and in different settings. The projects hope for growth of over 63,000 disciples as a direct result of their work, and aim to engage with another 54,000 who will potentially become new disciples. Since the advent of SDF, projects are reporting that some 10,500 people have, in God’s grace, become disciples.

A particular focus in 2019 has been the overhauling of monitoring and evaluation processes in the light of experience, coupled with improved resourcing of support to dioceses. Investment in capacity support to help strategic development and project delivery since 2017 is nearly £5m.

The aim is to improve project delivery (particularly in the early stages) and to capture and disseminate learning better. Early signs show that this is helping the newer projects to get up and running much more quickly. This has also placed a much greater emphasis on measuring discipleship and social engagement as an integral part of projects, alongside numerical growth.

A lot of what we are learning so far supports the findings of the Church Growth research programme From Anecdote to Evidence: intentionality in mission is fundamental. Churches grow where they have an active, outward-facing focus to create opportunities to develop new relationships; and then find ways to intentionally share the gospel with those new contacts, whether through explorer courses, social engagement, small groups, appropriate forms of worship, or through one-to-one discipleship.

In all of this, the Board has continued to pay attention to addressing the strategic challenges of growing the Church in those areas and demographics – such as among young people, in low-income communities, and in some of our large urban areas – where the Church’s reach and impact is weakest, and where historic investment has often been low. In the coming triennium, this emphasis will influence the distribution of SDF as well as the Lowest Income Communities Funding.

Finally, 2020 will also see the advent of two new streams of funding: £2m per annum of Innovation Funding to help identify and develop new approaches to grow mission; and £45m over the 2020-22 triennium to help support those dioceses facing particular financial challenges with major strategic transformation programmes.

None of this progress would be possible without the hard work and faith of those involved in developing proposals and then delivering them – by whom I am both inspired and indebted – in our shared endeavour of growing the Kingdom and bringing Christ’s message to new people and places.

John Spence
Chair of the Strategic Investment Board
Lowest Income Communities (LInC) funding was introduced in 2017 as part of the Resourcing the Future reforms alongside the expansion of Strategic Development Funding, with the aim of better supporting dioceses’ plans for developing mission and growth.

The funding seeks to target monies on dioceses to give them some extra capacity for the strategic reallocation of funds to support the Church’s mission in the poorest communities.

The LInC funding seeks to address imbalances in ministry investment between deprived and wealthier communities. This imbalance is in part due to historic factors (e.g. the development of parish structures over time, and historic endowments) and in part due to current factors (e.g. budget and political pressures promoting ministry cuts in poorer areas). Whatever the reasons, as it stands, the Church’s overall ministry investment in the most deprived areas is around half that in richer areas.

The responsibility for local deployment of ministry lies with dioceses, and dioceses each have different methods for ensuring that poorer areas have adequate provision of ministry. The chief mechanism for this is generally through a parish share system which aims to encourage churches in wealthier areas to subsidise ministry in poorer areas, perhaps through a transfer mechanism, or through ensuring the richer parishes pay for a full proportion of their costs while other funding (e.g. national funding and/or investment income) is used to subsidise ministry in poorer areas.

LInC funding aims to provide additional resources for those dioceses where this mechanism is more difficult – i.e. those dioceses where there are substantial poor communities, but with low average income overall so that there is less capacity for internal diocesan transfers. As well as this imbalance between dioceses, there is also imbalance within dioceses. The LInC funding also seeks to leverage changes in how this is addressed through the reporting mechanism.

LInC funding is a small amount of funding compared to the diocesan economy, but can function as a catalyst for wider changes. In this way it dovetails with those Strategic Development Funding projects which aim to provide a more significant step-change for dioceses for mission to deprived areas (e.g. recent applications covering Grimsby, Rotherham and Bradford) and those which help dioceses move to a more sustainable funding model (e.g. Birmingham).

In 2019 a total of £25.4 million in LInC funding was awarded to 25 dioceses (dioceses receiving the funding in 2019 are coloured blue)
Lowest Income Communities Funding

Dioceses are asked to report annually on which parishes are receiving LnC funding, how it is integrated into their wider plans for channelling resources to the most deprived communities, and how they intend to see whether the funding is having impact.

As the funding is part of a ten-year transition programme, with some dioceses in particular facing substantial changes in the amount of funding awarded, in some cases it will take time before the purposes of the funding are fully realised. Having said this, the Strategic Investment Board has made clear to dioceses that there is an expectation that the funding is intentionally directed towards supporting mission in the most deprived communities, or that there are clear plans in place to ensure this will be the case in future.

Dioceses have adapted to the changes over time. Some have been early adopters, seeking to implement the principles of LnC funding in a transparent way from the inception of the funding stream. This includes dioceses which have faced significant cuts in the level of national formula-based funding they will receive, such as Chelmsford.

Other dioceses have, over time, realised that their system of distributing the funding needs to change, and have commissioned reviews so that it is intentionally directed to the most deprived areas in future. This has included dioceses where there are significant calls on financial support outside deprived areas, such as Hereford, and dioceses which have widespread deprivation who are taking on a more intentional approach, such as Liverpool.

There do remain a number of dioceses which have not provided sufficient assurance that the funding is intentionally targeted towards the most deprived communities. The Board will consider how these dioceses can be engaged with to offer support in moving to a system which is more in line with the principles of the funding.

The majority of dioceses have chosen to distribute the LnC funding within their wider financial flows of parish share and deployment, while a smaller number are spending the money on specific projects. Both are compatible with the objectives of the funding, so long as the funding is transparently and intentionally directed to the most deprived areas.

As of February 2020, responses had been received from 23 dioceses on the use of their funding. Of these, 19 gave detailed information about the funding awarded to specific parishes. While some of these figures may require nuancing when compared against the real financial flows of a diocese, 71% of the total funding for these dioceses can be attributed to a particular parish, and of this reported figure, 72% is assigned to the most deprived 25% of parishes. However the percentage of funding that can be accounted for varies largely between dioceses.

There should not be an expectation that 100% of funding will be distributed to the top 25% most deprived parishes in every diocese. Different measures of deprivation exist and dioceses are choosing to target the funding on deprivation in different ways. For example, some dioceses are distributing funding to areas of deprivation which are smaller in size than a whole parish, which are hidden within the parish’s overall deprivation figure.
St Andrew, Hartcliffe
Diocese of Bristol

Revd Derek Maddox is the Vicar of St Andrew Hartcliffe and of Withywood. Hartcliffe is the most deprived parish in the diocese and one of the most deprived in the country. The total LInC funding allocated to his ministry is £28,000 per annum in these two parishes. The church and former vicarage in Hartcliffe are subject to large amounts of anti-social behaviour, arson attacks and other challenges. The parish’s ministry is almost completely subsidised by other income (from LInC funding, other Parish Share and diocesan income).

In September 2019, Derek and his wife Anne felt called to start providing a meal for those on the estate who needed it. Their plan was to start offering a pot of stew after the Sunday service once a month. By the second month, they were getting 30 people coming for food and decided to offer it every Sunday. For some, it is the only hot meal they get each week.

Many of the people coming were struggling with addictions and mental health issues. Working with two former addicts who had given their lives to Christ, they began a service for them on a Wednesday night. Greggs agreed to provide food; the group meets to share food before taking part in a time of worship, hearing testimonies and praying together.

This group, effectively a fresh expression of church, is aimed at people who might not feel comfortable in a traditional Sunday service; many are unemployed and may struggle with low levels of literacy. Initially around 10 people came along on the Wednesday night. Between 30 and 40 people now regularly attend. Recently, two people committed their lives to Christ and there are three or four people who are currently going through rehabilitation as a result of their involvement in the group.

At Christmas, the group put on a Christmas meal. It was attended by 47 people who shared in turkey and pork roasts, provided by a member of the congregation.

The group is continuing to grow through word-of-mouth with many on the estate seeing it as a lifeline. Derek provides pastoral support and signposts people to the help that they need.
Progress and Outcomes from Strategic Development Funding

The Strategic Development Funding (SDF) programme supports major change projects which fit with dioceses’ strategic plans and make a significant difference to their mission and financial strength.

The Strategic Investment Board is focusing on the need for SDF to achieve sustainable ‘good growth’ by supporting programmes which will increase the number of new disciples, enhance the quality of discipleship, and grow the impact of the Church’s social engagement work.

The number of major change projects in dioceses supported by the SDF programme since its introduction in 2014 stood at 71 by the end of 2019. 54 of these projects have been supported since 2017 when the programme was significantly expanded, of which 11 were awarded funding in 2019. 36 dioceses have been awarded SDF for one or more projects since January 2017.

Based on current data from dioceses, it is estimated that the number of new disciples seen through the projects supported by SDF is 10,500 as at March 2020 (this figure is expected to increase significantly in the coming months as we are expecting a large number of evaluation reports from dioceses following a temporary pause in annual reporting whilst a new evaluation process was piloted – see page 21). Once all the projects funded to date have been completed, it is expected that there will be 63,000 new disciples and that the projects will have engaged with a further 54,000 people who will potentially become new disciples.

These figures reveal the scale of the Church’s ambition for significant growth and the progress that has already been made towards achieving this.
growth through the SDF programme. The majority of the projects, which will run for several years, have only been funded since June 2017 and so it will be some time before we start to see the full fruits from their work.

**Investment in People**  The SDF programme is supporting 448 additional posts (ordained and lay). SDF has also helped to encourage and support dioceses’ investment in a total of 30 programme managers, who help to implement & develop dioceses’ strategy. Strategy and Development Unit staff have supported this investment through involvement in the recruitment process and developing a suite of recruitment resources for dioceses. Many dioceses have testified to the impact that the programme managers have had not only on the formation and delivery of their SDF projects but also on their ongoing mission and ministry.

**Deepening Discipleship**  Projects awarded SDF in 2019 include a strong focus on deepening discipleship combined with a recognition of the need for more learning about how to achieve this. There are a range of approaches. For example, Lincoln diocese’s project to strengthen and renew mission in urban areas includes investment in a discipleship year programme for young leaders at St Swithin’s church, Lincoln. Portsmouth diocese’s project to grow churches in depth, impact and number will commission the Church Army to look at discipleship in the context of fresh expressions and church plants and to establish how individual faith can continue to be challenged and deepened. Carlisle diocese will invest in Pioneer Practitioner Enablers who will innovate to create small ‘missional communities’ in the deprived areas of Barrow, Carlisle, Mayport and Workington with a focus on creating a missional culture that enables their members to be encouraged and equipped to ‘be disciples who can grow disciples’.

**Focus on Social Action**  The SDF programme continues to foster social action through the projects it supports. Dioceses are now asked to be clear in their applications for SDF what social action their programmes will deliver and to commit to measuring their progress in this work as part of the evaluation process. We have been greatly encouraged by the level and variety of social action being planned through the projects awarded funding in 2019. For example,
Rochester diocese’s project to invest in church growth in four priority parishes will include growing two new ministries established at Christ Church Anerley: Kings Car Wash helps ex-offenders to get back into work habits and Kings Boxing works with young gang members as an alternative to knife crime. A project awarded SDF in Leeds diocese has plans to support those battling addictions and mental health problems in the deprived town of Keighley, including launching a social enterprise with a coffee shop and prayer space.

**Funding for Rural Areas** Since its inception in 2014, £18m of SDF has supported projects which are focused wholly or in part on mission in rural areas. For example, Salisbury diocese’s project to renew hope through rural ministry and mission seeks, in partnership with Sarum College, to train and equip ordinands for rural ministry; to give serving clergy experience of rural ministry and to support clergy and lay people in evangelism and mission. St Edmundsbury and Ipswich diocese is investing £2 million in developing the existing Suffolk Fresh Expressions community through forming small missional ecclesial groups enabling fresh expressions of church and three rural church-planting churches. We will continue to evaluate the progress and outcomes of all the projects supporting rural mission and to take opportunities to share the learning from them with the wider Church.

**Non-Diocesan Awards** SDF is supporting a wide range of mission approaches, Church traditions and settings. The 2019 awards have further increased this diversity, including awards made to non-diocesan organisations for innovative projects which have wide potential application throughout the Church:

- HeartEdge, initiated by St-Martin-in-the-Fields in London, aims to build an ecumenical network of financially sustainable and growing churches, working with member churches to re-imagine church through developing commerce, culture, compassion and congregational life.
- The Centre for Theology and Community will extend, as a pilot, an approach trialled in three churches, using community organising – which enables churches to combine action for the common good with a reimagination of their wider ministry - to support growth in six inner city parishes in East London.
- The Mother’s Union will pilot the Metamorphosis discipleship course in five dioceses. The project will support participating churches in building relationships and networks within their communities and help congregations share their faith with others.

The Board continues to encourage more applications from a wider variety of church traditions for projects in line with the criteria for SDF.

Dioceses are continuing to get to grips with measuring the impact of their projects, closely supported by the Strategy and Development Unit staff, but there is still a great deal more work to be done, particularly on how to measure discipleship. Work 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, has now been completed. The tool will be launched in 2020.
# SDF awarded in 2019

<table>
<thead>
<tr>
<th>Diocese</th>
<th>Award date</th>
<th>Project</th>
<th>SDF awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exeter</td>
<td>Jun-19</td>
<td>Growing Mission in the City of Exeter; revitalising ministry for children, young people and adults, including the 32,000 student population.</td>
<td>£1.33 million</td>
</tr>
<tr>
<td>Leeds</td>
<td>Jun-19</td>
<td>Revitalising Mission in Bradford Phase 2; investing in growth in Keighley, Bowling, Idle, Great Horton and Clayton, with a strong focus on deprived areas and hard to reach groups.</td>
<td>£1.03 million</td>
</tr>
<tr>
<td>Rochester</td>
<td>Jun-19</td>
<td>Called to Grow: Supporting growth in Anerley, Erith &amp; Slade Green, Gillingham and Strood.</td>
<td>£1.39 million</td>
</tr>
<tr>
<td>Southwark</td>
<td>Jun-19</td>
<td>A Fruitful Future; developing mission, ministry and outreach in St Matthew’s @ the Elephant, North Lambeth, Deptford Team, East Greenwich, St Mary’s Summerstown, and Horley Team Ministry.</td>
<td>£3.12 million</td>
</tr>
<tr>
<td>Truro</td>
<td>Jun-19</td>
<td>Transforming Mission Phase 2; investing in focal ministry in St Austell, Camborne, Truro and Liskeard</td>
<td>£1.71 million</td>
</tr>
<tr>
<td>Portsmouth</td>
<td>Jun-19</td>
<td>Resourcing Growth Phase Two; resourcing churches to grow in depth, impact, and number</td>
<td>£2.71 million</td>
</tr>
<tr>
<td>Leicester</td>
<td>Jun 19</td>
<td>Enabling Black, Asian and Minority Ethnic Mission &amp; Ministry</td>
<td>£1.54 million</td>
</tr>
<tr>
<td>Norwich</td>
<td>Jun 19</td>
<td>Focus Churches: The Norwich Diocesan Church Planting and Revitalisation Programme</td>
<td>£1.98 million</td>
</tr>
<tr>
<td>Lichfield</td>
<td>Oct 19</td>
<td>Telford New Minster; reviving Christian life in a complex new town in the Midlands</td>
<td>£1.69 million</td>
</tr>
<tr>
<td>Birmingham</td>
<td>Dec-19</td>
<td>People &amp; Places Phase 2; Children and Family Missioners and church planting in Langley</td>
<td>£1.38 million</td>
</tr>
<tr>
<td>Carlisle</td>
<td>Dec-19</td>
<td>Reaching Deeper; To bring more people into closer and deeper discipleship of Jesus Christ, and build new worshipping communities in previously unreached or hard to reach communities, and to train and equip leaders and existing congregations to reach deeper into their communities.</td>
<td>£1.61 million</td>
</tr>
</tbody>
</table>
Photos from 2019 awards

Truro: Transforming Mission Phase 2; investing in focal ministry in St Austell, Camborne, Truro and Liskeard

Birmingham: People & Places Phase 2; Children and Family Missioners and church planting in Langley

Lichfield: Telford New Minster

Exeter: Growing Mission in the City of Exeter

Leeds: Revitalising Mission in Bradford Phase 2

Leicester: Enabling BAME Mission & Ministry
Map of Projects Supported by Strategic Development Funding

Carlisle – God for All
Embedding pioneers to nurture and grow new missional communities in deprived, urban contexts

Bradford – 20-40s
£1.7m for investing in resource churches and new missional communities

Telford – New Minster
£1.7m project to revive Christian life in a deprived new town in the Midlands

York – 20-40s Project
Connecting with lost generations missing from churches

Ely – Market Towns
Rethinking mission in market towns to create flourishing worshipping communities

Plymouth – Partners in Mission
£1.3m investment in families and young people in deprived contexts in the centre of Exeter

Southwark – A Fruitful Future
Focusing on unlocking six projects with high missional energy and a high potential for growth

£43m committed to deprived areas
£53m committed to children and youth
£18m committed to rural areas

12. Strategic Investment Board Annual Report 2019
Strategic Challenges

As highlighted in our previous annual reports, the Church faces very significant challenges and these continue to inform the distribution of SDF. The Church’s lack of engagement amongst particular groups and areas, measured through extremely low attendance, is most acute amongst Asian ethnic groups, those aged 12-24 and those living in social housing estates and the most deprived areas.

The number of projects which are focused on increasing the Church’s engagement with people of Black, Asian and Minority Ethnic (BAME) heritage has grown over the last year, such as the award to Leicester diocese highlighted in the case study. Another example is the award to Leeds diocese for investment in key population areas including Keighley, in which 37% of the population is Muslim, and Horton where the church of St John has developed a highly multi-cultural worshipping community.

Mission with people of BAME heritage continues to be developed in other projects awarded SDF in previous years, for example Southwark diocese’s project in Nine Elms has welcomed a Filipino chaplaincy which launched in December 2018 and offers mission to a distinct local and growing community.

In 2017, the Archbishops’ Council agreed that a significant proportion of SDF should be allocated to mission among young people; mission to those living in deprived areas; and projects which are innovative. By the end of 2019, 35% of SDF was focused on mission to people living in deprived areas and 42% was focused on mission to children and young people. The awards made in 2019 included some highly innovative approaches, several of which are highlighted throughout this report.

Enabling Black, Asian & Minority Ethnic Mission & Ministry; intentionally fostering cultural and ethnic integration through Intercultural Worshipping Communities

Diocese of Leicester awarded £1.5 million in June 2019

This project builds on the diocese’s SDF funded research into the status of mission and ministry with people of Black, Asian, and Minority Ethnic heritage in Leicester diocese. The project will establish Intercultural Worshipping Communities which will be intentional in fostering cultural and ethnic integration, alongside building on opportunities for BAME mission & ministry in the diocese as a whole, targeting those contexts where there is most missional energy. Their ultimate goal is long-term culture change in respect to ethnic and cultural integration in the diocese.

In its first six months, the project has already made progress towards transforming culture. For example, one church has become more creative and intentional in their service planning, inviting their congregation to wear traditional clothing and to bring a national dish to share.

In December the diocese hosted its Global Carol Service in Leicester Cathedral which gathered Christians from different cultures and ethnicities to discuss their Christmas traditions and to discover their universal shared experience of Christians celebrating Christ’s birth.

The carol service at Leicester Cathedral
Mission to Children and Young People

Currently less than 1% of 12-17 year olds attend a Church of England church and this figure drops to 0.5% of 18-24 year olds. Reversing the decades long trend of decline amongst these age groups is arguably the most critical and pressing challenge facing the Church.

In 2019, 59% of SDF was awarded for mission to children and young people. For example, Exeter diocese’s project to revitalise ministry in Exeter City will strengthen mission to children and young people and families, including the 32,000 student population. The work will be based at St Matthew’s church which is in one of the 10% most deprived inner-city wards, close to Exeter University’s St Luke’s campus. The project will include developing small hubs combining social or academic interest – e.g. sports, fitness, sciences, toddler’s and children’s activities – with prayer and Biblical reflection. This approach of forming small groups across a wide spectrum of interests has already been shown to work successfully at St Matthias’ church in Plymouth where over 40 sustainable groups have been formed over the last two years.

Encouraging progress is being made in projects previously awarded SDF which are focusing on mission and ministry to children and young people. Manchester diocese’s Children Changing Places project, which was awarded SDF in June 2018 to engage with children and families at points of transition in their passage through school, is delivering regular discipleship activity in 28 primary schools and has recently launched ten new distinctively Christian toddler groups.
Diocese of Birmingham awarded £1 million in 2014

In 2015 Birmingham set out on an ambitious programme supported by SDF with a vision for ‘growing younger’.

The project included placing Children and Family Missioners in parishes with the aim of creating new mission opportunities to support 30-70 new children and adult disciples whilst creating fertile places for all to grow in their discipleship and reach out to others. To date they have nearly 800 new disciples in parishes hosting Children and Family Missioners.

The missioners have connected with children and families outside the existing community of the churches, below are some examples;

- ‘Take out church’ supports home based faith: this included a bag of summer activities for families, and ‘Flat Jesus’, a project inspired by the children’s book ‘Flat Stanley’, where families make a paper Jesus together, who travels with them over the summer to engage the whole family in faith together and retain connection with fringe families over the summer.

- Many of the parishes have deepened their connection with their local school by running ‘through the keyhole’ experiences at Easter and Christmas. School classes travel through a series of scenes and in a final room they interact with characters who tell the full Easter or Christmas story. Many schools have subsequently held a prayer space or other events connected to the local church.

The ‘through the keyhole’ Christmas story
Mission in Deprived Areas

A substantial proportion of the national Church funding available for dioceses is distributed to support mission and ministry in deprived areas. More information on the Lowest Income Communities (LInC) funding is on pages 4-6. In addition to the LInC funding, many SDF projects are focused, in whole or in part, on reaching out to engage with those living in deprived areas.

There remains an urgent need for the Church to engage on a much bigger scale and much more effectively with people living in deprived areas. Currently, only 0.9% of those living in the most deprived areas attend a Church of England church.

In 2019, 50% of SDF was awarded for mission in deprived areas. For example, Rochester diocese was awarded funding to invest in mission in four ‘priority parish projects’ – Anerley, Erith & Slade Green, Gillingham and Strood – all of which are in urban areas of deprivation, and which have historically been under-resourced. Each parish will receive new resources to enable them to grow in numbers and in committed discipleship, developing new worshipping communities as well as their existing congregations.

Birmingham diocese is investing in evangelism in the community of Langley by establishing a Church Army Centre of Mission. For Birmingham, this is a new model for church planting in deprived areas. The Centre of Mission will develop a wide range of activities amongst different groups and areas in Langley, for example in local schools, the high street, the pub and a nail studio, alongside intentionally starting new Christian communities.

In Truro diocese, an award of SDF will enable the diocese to invest in churches in St Austell, Camborne, Truro and Liskeard, all of which have significant areas of deprivation. The project will establish new worshipping communities in cafes, community centres and a pub. Together with Falmouth, these areas will form the core of a Transforming Mission network across Cornwall.

There is evidence of good progress being made through a range of different approaches in projects awarded SDF in previous years. For example, Canterbury diocese’s ‘Ignite’ project, which was awarded SDF in June 2018 to develop new worshipping congregations in the most deprived areas of the diocese and the Channel Islands, has launched eight new communities with attendance already of nearly 350 and testimonies emerging of lives being deeply touched and changed. At ‘Top Church’, a new church-planting-church in the deprived town of Dudley in Worcester diocese the worshipping community grew to 110 at the end of the first year (far exceeding the anticipated target of 30 in the first year) with four people exploring ordained ministry.
The Archbishops’ Council and Church Commissioners prepare joint three-year spending plans. In 2019, they agreed their spending plans for 2020-22. They confirmed that SDF is a ten-year programme (2017-2026). It is estimated that the total amount of SDF available over the ten-year period will be £276m.

In 2017-19 the Board gave early momentum to the SDF programme by awarding a significant proportion of the total funds expected to be available over the ten-year lifetime of the programme. Taking into account the awards made to date since 2017 - £134 million - it is expected that around £128m will remain for distribution to dioceses in 2020-26, although this will depend on the outcome of future spending reviews.

The Board has agreed that £64m of this funding will be made available for award to dioceses in 2020-22 with the remaining £64m being made available from 2023 onwards. There will be one opportunity each year to apply for funding in 2020-22.

This represents a lower level of funding compared to the awards made in 2017-19. The Board has therefore considered how best to focus the funding in 2020-22. The goal of SDF remains unchanged, i.e. to support dioceses’ investment in the growth of the Church. However, the Board has agreed that funding should be targeted towards promoting growth in the largest urban areas of the country and on one or both of younger generations and deprived communities. The Board will consider programmes not targeted on the largest urban areas if they are focused on areas of particular deprivation or younger generations and have reach and impact in keeping with the other priorities for SDF, i.e. they offer a compelling case to transform areas which are as under-resourced as the largest urban areas and will reach similar numbers of people as proposals relating to those areas.

The agreed focus for the funding in 2020-22 reflects the nature and scale of the key strategic challenges that face the Church, channelling the limited funding available towards people and areas in which the Church has long under-invested. The largest urban areas targeted by the criteria contain:

- 62% of the population
- 67% of 18-29 year olds
- 84% of the most deprived areas.

**Resourcing Mission & Growth across the city of Bristol and the Wider Diocese**

_Diocese of Bristol awarded £1.5 million in December 2017_

St Nic’s was launched in Bristol city centre in 2018, reopening the church after 65 years of closure. They celebrated their 1st birthday in September 2019.

The church conducted a study of current activities in Bristol to understand the current social needs of the community around them and to direct the focus of their activities. A group of 70 of the congregation have committed to praying into local areas of need.

St Nic’s has partnered with another local church to support Bristol Night Shelter both financially and with 16 volunteers who serve every Wednesday night to provide beds and food to the homeless.

They are also partnering with a local charity which runs mentoring programme for children who may be struggling with their mental health, dealing with trauma such as family breakdown or bereavement, or be in the care system. A significant number of these children are at risk of exclusion from school. The mentoring aims to support children at the early stages of their need and work with the school and the child’s family to help them and to prevent a greater crisis later. Currently St Nic’s are working in one inner city primary school and this academic year have supported 5 children and their families. They are just about to start working with 3 more children.
New Funding Programmes

In 2020-22 the Board will be responsible for two new funding programmes:

- **£45m** has been made available to support dioceses with financial difficulties wishing to undertake major transformation programmes to provide a platform for the Church’s sustainable growth.

- The Board has set aside **£6m** of SDF (£2m p.a.) for Innovation Funding. This will support limited-scale projects which will generate learning about ‘good growth’ through trialling new approaches, or applying existing successful models in new contexts, that have the potential to be developed to generate further growth. Dioceses and non-diocesan organisations (e.g. mission agencies) will be eligible to apply.

Capacity Funding

£861,703 of capacity funding was awarded in 2019 to seven dioceses to support them to develop their strategic capacity. Capacity funding predominantly supports the employment of programme managers and other project staff to develop and deliver SDF projects. Recent applications have included support to release extra capacity for diocesan teams to tackle significant strategic challenges.

In the previous two triennia capacity funding has been part of the overall SDF budget, however in 2020-2022 the funding will come from the £45 million to support dioceses mentioned above. The application and award processes will remain the same.
In 2017-19, £6m of Strategic Development Funding was set aside in 2017-19 for non-diocesan projects which support the overall strengthening of the Church’s mission and growth:

- £3m for infrastructure development in the National Church Institutions to make strategic interventions to advance the Church’s mission and growth; and
- £3m for major grants for projects to strengthen mission on themes where new approaches might be developed which would not easily stem from a diocesan or multi-diocesan application.

In 2019 £1.1 million of non-diocesan funding was awarded through a mixture of SDF & capacity awards and these are listed in the table below. This was the first year where the majority of the funding was awarded to non-NCI organisations.

From 2020 applications for non-diocesan funding has closed, instead organisations will be able to apply for Innovation Funding to develop their ideas.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Project</th>
<th>Amount awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Mothers’ Union</td>
<td>Metamorphosis project</td>
<td>£190,692</td>
</tr>
<tr>
<td>Archbishops’ Council</td>
<td>Messy Church discipleship project</td>
<td>£100,000</td>
</tr>
<tr>
<td>St Martin in the Fields</td>
<td>HeartEdge</td>
<td>£275,413</td>
</tr>
<tr>
<td>Society of St Wilfrid and St Hilda</td>
<td>Catholic Missioners</td>
<td>£140,100</td>
</tr>
<tr>
<td>Centre for Theology &amp; Community</td>
<td>Community Organising for Church Growth</td>
<td>£254,650</td>
</tr>
<tr>
<td>Estates Evangelism Task Group</td>
<td>Support for the Estates Evangelism Task Group</td>
<td>£115,037</td>
</tr>
</tbody>
</table>
Financial Position

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

£75m of SDF was made available in 2017-19. However, in order to give early momentum to the funding programme, the Church Commissioners’ Board of Governors 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 £125 million of SDF to dioceses in 2017-19.

Spending for most projects tends to be low in the first year whilst they are getting off the ground and, for example, staff are recruited. The table below show the 2017-19 SDF awards and the actual and projected cash outflow for SDF. Further awards from 2020 will incur additional expenditure not shown here.

A total of £64m (21m p.a.) will be available for award to dioceses in 2020-22.

<table>
<thead>
<tr>
<th>SDF Funding 2017-2026</th>
<th>2017-2026</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Budget*</td>
<td>£m</td>
</tr>
</tbody>
</table>
| Total 2017-19        | 276.0 | 24.0  | 25.3  | 25.0    | 74.3 | 82.1 | 119.6
| Awarded 2017-19     |       |       |       |         |
| SDF - Diocesan**     | 125.2 | 43.1  | 61.6  | 20.4 | 125.2 |
| SDF - Strategic Capacity Funding | 4.9 | 1.5  | 2.5  | 0.9 | 4.9 |
| SDF - Research, evaluation & dissemination | 0.6 | 0.2  | 0.3  | 0.1 | 0.6 |
| SDF - non-diocesan funding*** | 3.4 | 1.8  | 0.5  | 1.1 | 3.4 |
| Total Awarded 2017-19 | 134.0 | 46.6  | 64.9  | 22.5 | 134.0 |
| Planned 2020-26      |       |       |       |         |
| SDF - Diocesan**     | 127.5 |       |       |         |
| SDF - Research, evaluation & dissemination | 2.2 | 0.9  | 1.3 |
| SDF - non-diocesan funding*** | 0.3 | 0.3  | - |
| SDF - Innovation Funding | 12.0 | 0.0  | 0.0  |
| Total Planned 2020-26 | 142.0 | 0.0  | 0.0  | 0.0 | 71.0 | 71.0 |
| Cash outflow for 2017-19 awards |       |       |       |         |
| SDF - Diocesan**     | 125.2 | 0.7  | 6.1  | 14.6 | 21.5 | 72.4 | 31.3 |
| SDF - Strategic Capacity Funding | 4.9 | 0.3  | 1.0  | 1.2 | 2.5 | 2.3 | 0.1 |
| SDF - Research, evaluation & dissemination | 0.6 | 0.2  | 0.1  | 0.2 | 0.5 | 0.1 | - |
| SDF - non-diocesan funding*** | 3.4 | 0.3  | 0.5  | 0.5 | 1.3 | 2.1 | 0.0 |
| Total Cash outflow for 2017-19 awards | 134.0 | 1.5  | 7.7  | 16.5 | 25.7 | 76.8 | 31.4 |

* This refers to the Church Commissioners’ budget. Cumulative SDF cashflow may not exceed the provision in the budget.
**£920,000 of SDF was awarded to Leicester diocese in 2017 but only recognised for accounting purposes in 2019 when the grant conditions had been fulfilled.
***The initial allocation of non-diocesan funding was £6m. £3.7m was awarded (including £0.3m awarded, conditional on criteria being fulfilled in 2022). The £2.3m difference is included in the SDF diocesan planned awards.
During 2019, the evaluation processes for SDF have been changed in order to strengthen the focus on delivery. The changes are designed to:

- Ensure that the annual review is forward looking as well as reviewing the past;
- Make sure that the focus in the first few years of a project’s life is on the action necessary to improve delivery;
- Encourage the use of measurement and data as a tool for supporting delivery during the life of the project, in addition to overall outcomes.

Dioceses are now asked to undertake a self-assessment which explores a range of questions around the vision for the project, the design of the project, how progress is being measured and the effectiveness of project governance and leadership.

The new process was successfully piloted in 2019 and is being rolled out to all dioceses in receipt of SDF. Strategy and Development Unit staff regularly review progress with dioceses through attendance at Programme Boards and review meetings.

The first projects supported in the 2014-16 funding period are now beginning to reach completion. Staff are working with two dioceses to trial an approach to the final evaluation of these projects to help our understanding of how best to capture the outcomes and learning from them.
Learning from SDF

In 2019, the Board explored the overall 'mission theory' for the SDF programme – how might the planned activities to be supported through SDF investment lead, in God’s grace, to the outcomes which we long for in terms of transformed lives – and whether the results to date bear this theory out.

The theory underpinning the initial creation and subsequent expansion of SDF involved three key assumptions:

Activity involving evangelism produces new disciples. The results of any evangelistic activity rest with the Triune God; but it is primarily evangelism which God calls the Church to perform to make new disciples. Our learning to date is that it is those programmes and those workers which have an explicit focus on evangelism which are most fruitful in terms of making new disciples. Conversely, programmes which are focused less directly on evangelism are envisaging and seeing fewer disciples.

Money can make a difference. It is not money itself which produces church growth; yet money can fund the capacity needed to increase and incentivise evangelistic activity. Dioceses of course have their own resources, and have themselves contributed to change projects. However, many are constrained by the speed at which they can make large changes. Additional funding through programmes such as SDF can enable them to fund activity more quickly and at a larger scale than they would be able to on their own.

Focused, planned investment is more impactful than providing general financial support or subsidy. SDF sought to introduce much greater intentionality. It directs funding only towards dioceses with robust plans for making new disciples which focus investment in certain areas of a diocese or among specific demographic groups in order to break the cycle of decline typically seen. Learning in 2019 has re-affirmed the learning points previously reported, that more focused and planned investment does indeed yield greater impact.

The intentional investment through SDF is time limited but aims to produce sustainable benefits for the longer term, resulting in continuing spiritual growth, numerical growth and growth in social action over time – ‘good growth’.

Four further broad lessons can be drawn out from our analysis:

2019 confirmed the learning points highlighted in last year’s report

SDF 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.
1. The majority of the new disciples seen to date through the SDF programmes have come through the development of new worshipping communities: whether church plants, the revitalisation of existing churches by creating new congregations within them, or fresh expressions. All offer active programmes, often closely linked to the work of local churches, reaching out into their communities: intentional evangelism with some form of structure or activity to help the congregation engage well (e.g. an invitational explorer course or missional outreach activity). Evangelism is most effective when it naturally flows out from the life of a church and there is a Christian community into which new disciples can be welcomed and discipled. New congregations are reaching young people and are growing in all contexts, e.g. both urban and rural.

2. In line with the research findings in ‘From Anecdote to Evidence’, churches are more likely to grow if their leaders are:
   - Capable of creating a disciple-making culture within their congregations;
   - Gifted to lead change;
   - Supported by operational staff and lay volunteers;
   - Skilled at leading and working with teams, and at developing leaders.

3. SDF investment has produced a significant increase in the Church’s social engagement work in the areas covered by programmes as highlighted elsewhere in this report.

4. SDF investment can help leaders in dioceses to leverage further change by:
   - Incentivising dioceses to tackle difficult issues;
   - Improving dioceses’ general capacity to plan and deliver;
   - Unlocking dioceses’ historic resources to support growth;
   - Highlighting the need to evaluate all of a diocese’s resource allocation decisions;
   - Challenging a culture of entitlement and ‘fair shares for all’;

Stimulating strategic thinking about issues relating to the quantum and qualities of ministers needed across a diocese and how best to identify, train and deploy them.

We will be evaluating the SDF programme in more depth in 2020. Our preliminary work has identified 9 forms of approach which senior diocesan leaders are taking in their SDF projects. While it is still early days for many SDF projects our initial – in part subjective – assessment is that some of these approaches are having greater impact than others.

SDU staff regularly communicate insights from the SDF programme to dioceses in supporting the development and delivery of their programmes. We are also encouraging SDF project leaders in dioceses to share learning on particular issues with their counterparts elsewhere, e.g. through workshops. A seminar about SDF projects working in deprived communities took place at the 2020 General Synod. This heard learning from three projects in the dioceses of Canterbury, Blackburn & Sheffield.
Diocesan Peer Review Programme

The programme aims to ensure mutual accountability and facilitate shared learning between dioceses and to be of real value to each diocese. Every diocese participated in the first round of peer reviews which concluded in 2018 and by the end of 2019 twenty-nine dioceses had taken part in a second peer review. The key elements of each review are a self-assessment completed by the senior team in a diocese; a day-long meeting between a panel of three peer reviewers and the bishop and key staff exploring a wide range of topics; and a report capturing the conclusions. The programme continues to be well-received by dioceses and further meetings are planned through to Spring 2020. There will then be a period of review and reflection before any further peer reviews take place.

What are we learning from peer reviews?
During the year we reflected back on the second-round reviews to identify, through the self-assessment documents, the issues which dioceses are keen to find out about. The issues most commonly highlighted by dioceses related to how they might best:

- Seek spiritual & numerical growth;
- Work most effectively with deaneries or mission areas;
- Ensure financial sustainability for dioceses;
- Deploy stipendiary clergy.

Peer reviewers focus their attention on the topics each diocese highlights. The presentation given by the staff member at each peer review is tailored to each diocese’s circumstances and seeks to address the issues identified in their self-assessment.

The issues most commonly identified by the peer review panels’ reports were:

**Prioritisation** – Amidst the busyness of diocesan life, peer reviewers see the vital need for senior staff to agree and then address just a few key priorities.

**Growth** – Panels encouraged senior teams to move on from general growth visions to intentional action with suggestions tailored to their specific contexts; these often included a more deliberate promotion of church planting and fresh expressions of Church.

**Communications** – Being imaginatively persistent and carefully consistent in communicating vision and priorities, and articulating the response sought from church leaders and members.

**Building momentum** – Moving beyond one-way communication of the high-level vision, to build momentum for change through engagement and by focusing effort strategically.

**Finances** – Setting out the financial challenge clearly, repeatedly explaining parish share systems, and yet emphasising the missional vision: ‘keeping people’s eyes on the promised land’.
Conclusion

We can now look back on the first full three years of the funding reforms introduced in 2017 to better support the Church’s ministry. In that time, the Strategic Development Funding has expanded from 16 to 71 major change projects and we are starting to see the numerical and spiritual growth that they are generating. Dioceses in receipt of the Lowest Income Communities funding are working to ensure that the funding is focused effectively on their most deprived parishes.

Although there is still much to be done – and the national Church funding is, of course, only a very small part of the picture – the funding reforms are helping to give fresh impetus to the Church’s work to overcome the challenges it faces and to draw many more people to Christ.
Annex A:
Members of the Strategic Investment Board in 2019

Richard Best
Matthew Frost
James Harrison
Katherine McPherson
Loretta Minghella
Deborah Rowland (joined February 2019)
Mark Sheard (joined December 2019)
John Spence (Chair)
Cherry Vann (left September 2019)
David Walker