

# Independent Review of Lowest Income Communities Funding and Strategic Development Funding - summary

Lowest Income Communities (LInC) Funding supports ministry and social action in the lowest income communities and is distributed to dioceses based on the size and average income of their populations and Strategic Development Funding (SDF) supports major change activities which fit with dioceses' strategic plans, and which make a significant difference to their mission and financial strength.

The Terms of Reference asked what SDF and LInC had achieved in the Church and how could national funding be best used in the future. The panel interviewed a wide variety of stakeholders, visited projects in the Manchester and Exeter dioceses, held focus groups, reviewed documentation provided by the Archbishops' Council's staff, and sent a survey questionnaire to all dioceses.

The funding streams form 20% of the funding released from the Church Commissioners' investment returns, but a small proportion of the Church's whole 'economy'. The report comes five years into a long-term programme, so there is a limit to what can be said definitively about the impact of the funding.

## Lowest Income Communities Funding (LInC)

LInC is sustaining ministry in many poor communities that would otherwise lose it. Dioceses report that LInC is supporting at least 1,700 parishes and that many of them would not have their current level stipendiary clergy without that support. The amount of LInC funding confirmed to have been allocated to the 25% poorest communities has risen from £12.5 million in 2017 to £19.2 million in 2020.

The primary role of LInC should continue to be in supporting and sustaining ministry in deprived communities. Funding levels should be at least maintained for the remainder of the ten-year transition period.

More of LInC should be used to extend and refresh ministry in deprived communities. Dioceses should explain the distribution and use of LInC funding clearly including reporting on missional effectiveness.

## Strategic Development Funding (SDF)

The impact of SDF is manifested in parishes revitalised, the creation of new worshipping communities and additional ordained and lay posts. There is a focus on major and relatively deprived urban areas that have been under-served. Diocesan capacity to effect missional change is improved, helping the whole church, and there have been new disciples and fresh social action in communities.

In the delivery of project-based funding to support mission and growth, the Innovation Fund should be used to trial new ideas, while the larger SDF should be used to scale up promising, to help roll out relatively proven missional concepts and to develop and adapt them for new contexts.

Resources should be provided to improve reporting mechanisms for the funding, increase in the participation of communities currently under-represented in Church by ethnicity, class and gender, and ensure that the funding enables mission in all Church traditions and areas of the country. As well as policy changes, there should be enhanced transparency and communication.

## Leveraging lessons from SDF and LInC funded activity

The funding streams are too small by themselves to achieve Church-wide change. Making the most of any lessons learned is therefore critical. There has been work undertaken by the national church to share the lessons learned by the programmes, but this should be enhanced and shared more widely. This should include Subject Matter Experts working to develop methodology and training programmes.

## Alignment with national and diocesan strategy

The emerging Vision & Strategy offers an opportunity to try to establish renewed unity of purpose around the schemes and more broadly. The funding streams should align with the Vision and Strategy once fully developed. The funds should retain their intentionality and additionality to existing work. As part of that, this should include moving to a more integrated strategic approach with dioceses.