



STRATEGIC
INVESTMENT
BOARD

Annual Report 2021

⊕ THE CHURCH OF ENGLAND

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Foreword by John Spence

2021 was riven with uncertainty by the Covid-19 pandemic, beginning in lockdown, emerging into restored freedoms as the pandemic appeared to retreat, only to end the year under renewed restrictions following the emergence of the Omicron variant.

The Board has been acutely aware of the ongoing pressures on dioceses and parishes. Staff have continued to work closely with dioceses to understand the financial position. The Board made further awards from the Sustainability Funding stream introduced in 2020 to help dioceses and, through them, parishes with the impact of the pandemic on their finances. The national Church provided those dioceses in receipt of the Lowest Income Communities funding with additional support by paying all of this funding upfront in January 2021.

The Strategic Transformation Funding programme, which supports dioceses to develop and deliver diocesan-wide mission and growth strategies, has continued to gain momentum, and the year ended with a major award to Manchester Diocese to take forward its transformation programme.

The projects supported by Strategic Development Funding have continued to respond with enormous energy and resilience to the many challenges that the pandemic has presented. The Board has been greatly encouraged by the many different ways in which projects have grown and developed their mission and their service to their communities. Nevertheless, the impact of the pandemic on project progress has been very significant, and many projects will require an extension in timescale.

The Board was delighted to launch the Innovation Funding, postponed due to the pandemic, in autumn 2021 and to make the first awards from this exciting new funding stream. We look forward to reviewing more applications for this funding in the coming year.

In 2021, the Board commissioned an independent review, chaired by Sir Robert Chote, of the Lowest Income Communities funding and Strategic Development Funding. Publication of the review group's report is likely to be in Spring 2022. The Board looks forward to learning from the findings.

The review group's findings will help inform the development of the national Church's spending plans for 2023–25 and beyond. These spending plans will in turn support the realisation of the Church's Vision & Strategy to be a Jesus Christ-centred and Jesus Christ-shaped church that is younger and more diverse.

At all times, those of us who have been asked to serve on the Strategic Investment Board are acutely conscious of our responsibilities. We are there to serve the mission of Christ and, therefore, to serve all parts of the Church of England. We are not a head office function but are there to support dioceses in the fulfilment of their ambitions. We must do so with particular regard to the Church Commissioners and Archbishops' Council to ensure the funds at their disposal are deployed to the best possible effect. We will continually seek to reach out to all traditions, so that the extraordinary diversity of the Church of England is maintained in ways that meet the needs of particular cohorts and localities.

Lastly, may I record the Board's thanks and gratitude to all those who have worked so hard during this past year to deliver the projects that are being supported by the national Church in parishes throughout England, sharing with so many the certainty of the enduring love and faithfulness of our Lord and Saviour, Jesus Christ.

John Spence
Chair of the Strategic Investment Board



Vision & Strategy

The Church of England's calling is to proclaim the good news of Jesus Christ afresh in each generation to the people of England. 2021 saw the development of the vision and strategy for the next ten years for the whole of the Church. The strategic priorities identified are set out below, with further information available on the Church of England website: www.churchofengland.org

- To be a church that is younger and more diverse
- To be a church where mixed ecology* is the norm – where every person in England has access to an enriching and compelling community of faith by adding new churches and new forms of Church to our parishes, schools and chaplaincies
- To become a church of missionary disciples where all God's people are released to live the Christian life

*the mixed ecology, describes the flourishing of church and ministry in our parishes, and in other communities of faith, through things like church planting, fresh expressions of church, and chaplaincy and online.

The strategic aims of our current programme of funding are aligned with the priorities of the Church's Vision & Strategy; in particular, to better serve younger generations, deprived communities and ethnic minorities, groups which the Church has historically struggled to reach.

Overview of Funding Programmes

Lowest Income Communities Funding (LInC) is targeted on dioceses who have high proportions of communities with low income and high deprivation, to enable them to sustain and strengthen the Church's mission in these communities. The funding aims to ensure that ministry is provided in those parishes where it would otherwise be unsustainable, as well as supporting other roles, such as youth workers, in parishes who could not otherwise afford them.

Strategic Development Funding (SDF) supports major change projects which fit with dioceses' strategic plans and which make a significant difference to their mission and financial strength. It is targeted on promoting growth in the largest urban areas and on one or more of younger generations, United Kingdom Minority Ethnic (UKME) / Global Majority Heritage (GMH) communities, and deprived communities.

Sustainability Funding aims to maintain some short-term financial stability for dioceses during the pandemic, providing a breathing space as they implement or develop their strategies for long-term mission health and financial stability.

Strategic Transformation Funding (STF) helps dioceses develop and deliver diocesan-wide mission and growth strategies to ensure a thriving and sustainable future for the Church. The overall aims of STF align with those of SDF; i.e. it supports major change programmes which fit with dioceses' strategic plans and make a significant difference to their mission and financial strength.

Capacity Funding helps to increase the capacity of dioceses to develop and deliver their mission plans, as well as releasing extra capacity within diocesan teams to tackle significant strategic challenges.

Innovation Funding supports limited-scale projects which will innovate in the light of the Church's Vision & Strategy, and generate learning about 'good growth'; i.e. growth which increases the number of new disciples, strengthens discipleship, grows the impact of the Church's social engagement work, or increases and diversifies the number of leaders in the Church.

Response to Covid-19

Sustainability Funding

Throughout the challenge of Covid, staff have worked very closely with dioceses to understand their financial position and what support they need to manage the impact of the pandemic upon them and on parishes.

In 2020, the Archbishops' Council allocated up to £35m of the funding made available to it by the Church Commissioners to create a new grant funding stream: Sustainability Funding. This was part of a package of measures to support dioceses and, through them, parishes, during the pandemic.

Sustainability Funding aims to maintain some short-term financial stability for dioceses as they implement or develop their strategies for long-term mission health and financial stability. The Board awarded £15m of the £35m to 24 dioceses in 2020.

The Board agreed, in the light of the ongoing pandemic and its effects on diocesan and parish finances, to make further awards of Sustainability Funding in the second half of 2021 when the financial position of dioceses was clearer. It was also agreed to continue to target the funding on dioceses with fewer investment assets and less-affluent populations.

In making its decisions on funding applications in 2021, the Board took account of the steps that dioceses are taking to address the impact of Covid-19 on their financial position, the measures they have undertaken in recent years to improve their financial sustainability, and the steps they are taking or planning to develop their longer-term mission health and financial sustainability. The Board awarded a total of £9.3m to 17 dioceses in 2021.

The Board will distribute further Sustainability Funding in the second half of 2022 keeping these longer-term challenges in mind.



Emmanuel Church, who are working towards their second church plant as part of Leicester's 2018 project Growing the Church, held an outdoor Easter service, which was attended by around 200 people. They've held regular outdoor services since the start of the pandemic, which has helped them create a visible presence in the community at key Christian festivals.

As part of Lincoln's 2018 award, St Wulfram's in Grantham will develop curates to plant churches in the Anglo-Catholic tradition. They have also launched the Wulfram Centre for Wellbeing & Wholeness at the historic Grantham House, which supports the community through outdoor and creative opportunities and providing additional missional space for St Wulfram's, as well as providing a range of wellbeing activities to improve mental and physical health, and address loneliness. They also have an Artist in Residence who runs family workshops in the school holidays.



Impact of Covid on SDF

During 2021, Strategy and Development Unit (SDU) staff kept in close touch with dioceses about the continuing **impact of Covid-19** on the delivery of their SDF projects.

As was the case in 2020, the overall picture is encouraging. Throughout 2021, projects continued to respond with enormous creativity, energy, resilience and compassion to the challenges caused by the pandemic and the on-going restrictions. Online engagement has brought many new opportunities for **evangelism**. For example, there has been a step change in the digital presence at St George's Church, Leeds, which has had significantly high levels of engagement with their online content. In Sheffield's project to strengthen mission and ministry in Rotherham and Goole, experiments with online Alpha have been especially successful in the post-industrial town of Goole, with more people able to participate and a greater depth of discipleship. In Blackburn diocese's Outer Estates Leadership project, Freedom Church Mereside has had nearly 1,200 regular online worshippers.

There has been a mixed picture emerging from projects engaging with children and young people. Several projects found that, as the restrictions continued, young people became reluctant to engage online. Participation in Zoom meetings was not particularly attractive to young people, who were exhausted from online schooling, and there was a yearning for in-person contact. However, encouraging stories have emerged from several projects. In Manchester diocese, the Children Changing Places project team was able to increase its regular presence in 15 primary schools after restrictions were eased and church youth/discipleship groups moved from online to in person. Trinity Church Nottingham saw its connection with the student community grow hugely during lockdown, and hubs have multiplied with a growing leadership pipeline.

Many projects have continued to report that increased participation in worship, small groups and social outreach are leading to deepening discipleship. For example, Derby diocese's Resourcing Derby City project has seen participation in small groups double. The Harborough team resourcing church in Leicester diocese's Resourcing Churches project has also seen much greater levels of engagement in prayer, with every slot taken for 11 days and nights of prayer for evangelism.



In Chelmsford's New Worshipping Communities project, a church plant in Beam Park worked with local primary schools, along with a local artist, to create a mural which expresses how the pupils understood hope for the post-pandemic time.



However, projects have also continued to face significant challenges over this time. Projects have found that it takes longer to form deeper relationships online and that it is easier to lose people who are on the fringe when gatherings are not taking place in person. Recruitment to key posts has continued to be a major challenge and has caused significant delay to project progress. Projects have increasingly reported that clergy and other leaders are tired and that there is a risk of burnout. And, with the move to online services, groups and courses, measuring outcomes has become much more difficult, particularly those relating to growth in numbers and discipleship.

The Board has recognised the impact of Covid-19 on projects, and has approved extensions to enable projects to deliver all their anticipated outcomes. In 2021, 14 projects were given an extension in time.

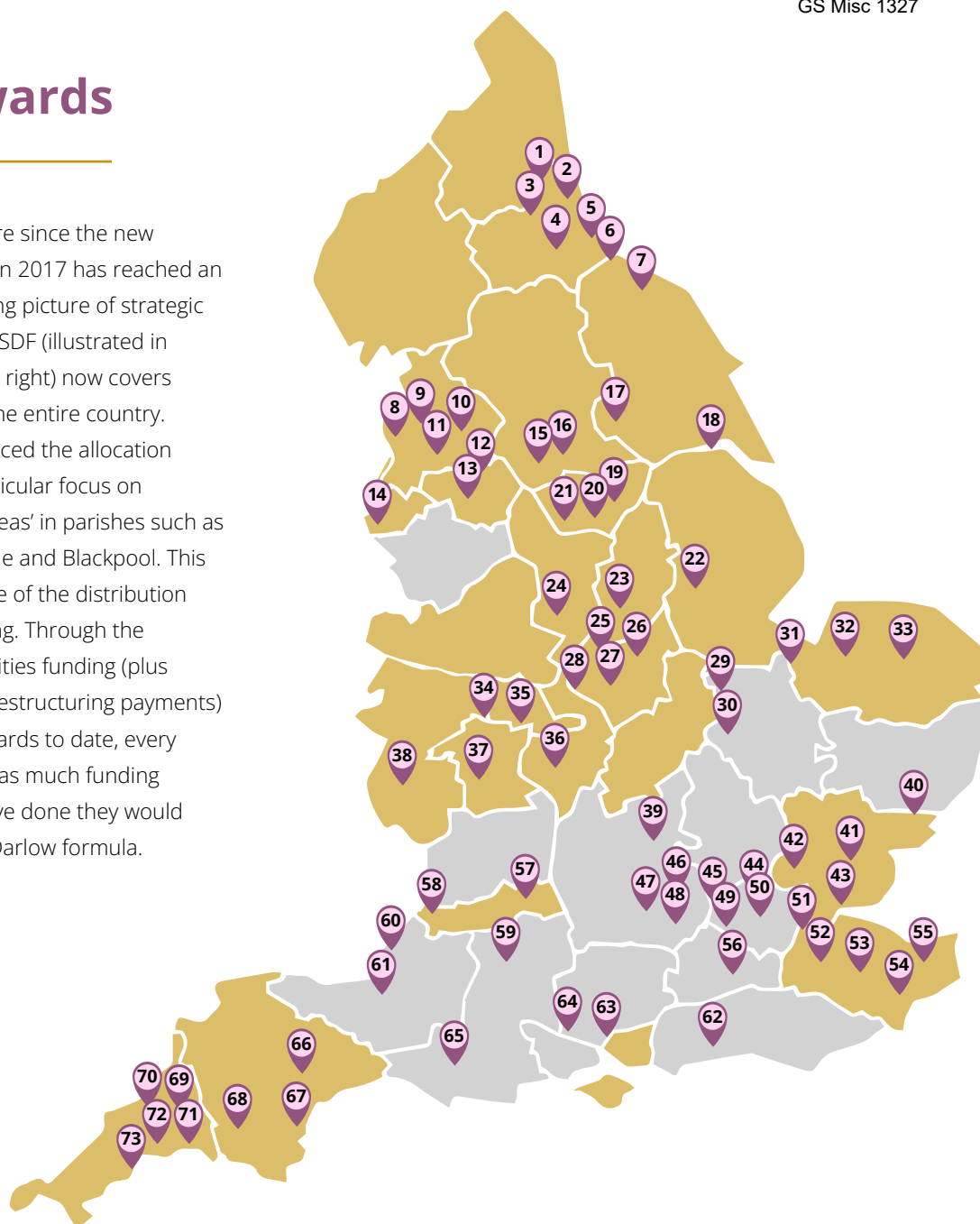
Most projects continue to be confident that, with an extension in timescale, they will be able to achieve their outcomes.

Growing God in the Countryside, part of St Edmundsbury & Ipswich's project to develop fresh-expression communities and enable cultural transformation for rural mission, saw 23 Lightwave groups launched, and gained around 200 new disciples. Lightwave groups aim to reach people who have no previous experience of church. Outreach has involved 40 Days of Kindness during Lent 2021, featured on local radio, which included clearing snow from roads and driveways for the community, sending thank you cards and gifts to local teachers and postal staff, and supporting food banks. The Café Church session in Haverhill was moved online due to Covid-19, and allowed members of the community to come together at a time when many people suffered with loneliness. An attendee, who had never attended church prior to the lockdown and who has become a fully fledged member of the congregation after seeing the Café Church online service via social media, commented, "I am a frontline healthcare worker, and the past year has been incredibly tough but connecting with members of my community via the online church services has been a lifeline through these extraordinary times. At a time where loneliness is rife, online church has not only provided me with an incredibly strong sense of community but lots of new friends too. I am grateful to have the opportunity to regularly connect with other members of the congregation and will be attending physical church services as soon as they resume."

Map of Awards

The overall funding picture since the new criteria were introduced in 2017 has reached an exciting stage. The growing picture of strategic projects funded through SDF (illustrated in purple on the map to the right) now covers towns and cities across the entire country. Critically, this has rebalanced the allocation of funding through a particular focus on 'neglected or deprived areas' in parishes such as Margate, Dudley, Rochdale and Blackpool. This only gives a partial picture of the distribution of national Church funding. Through the Lowest Income Communities funding (plus transitional and one-off restructuring payments) and Capacity Funding awards to date, every diocese now has at least as much funding to date as they would have done they would have had under the old Darlow formula.

 LInC



SDF Projects

- | | | | | |
|---------------------|--------------------|----------------|-----------------------|---------------------|
| 1. Newcastle | 16. Leeds | 31. Wisbech | 46. Wycombe | 71. St Austell |
| 2. Gateshead | 17. York | 32. Fakenham | 47. Reading | 72. Truro |
| 3. Washington | 18. Hull | 33. Norwich | 48. Slough | 73. Falmouth |
| 4. Sunderland | 19. Doncaster | 34. Dudley | 49. Newham | |
| 5. Hartlepool | 20. Rotherham | 35. Birmingham | 50. Medway | |
| 6. Stockton-on-Tees | 21. Sheffield | 36. Coventry | 51. Lambeth | |
| 7. Middlesbrough | 22. Lincoln | 37. Worcester | 52. Gillingham | |
| 8. Blackpool | 23. Nottingham | 38. Hereford | 53. Ashford | |
| 9. Preston | 24. Derby | 39. Bletchley | 54. Dover | |
| 10. Blackburn | 25. Loughborough | 40. Ipswich | 55. Margate | |
| 11. Wigan | 26. Melton Mowbray | 41. Colchester | 56. Crawley | |
| 12. Rochdale | 27. Leicester | 42. Chelmsford | 57. Swindon | |
| 13. Manchester | 28. Hinckley | 43. Southend | 58. Bristol | |
| 14. Liverpool | 29. Peterborough | 44. London | 59. Rural Wiltshire | |
| 15. Bradford | 30. Huntingdon | 45. Stratford | 60. Weston-super-Mare | |
| | | | | 61. Taunton |
| | | | | 62. Brighton & Hove |
| | | | | 63. Portsmouth |
| | | | | 64. Southampton |
| | | | | 65. Rural Dorset |
| | | | | 66. Exeter |
| | | | | 67. Paignton |
| | | | | 68. Plymouth |
| | | | | 69. St Austell |
| | | | | 70. Newquay |

Awards to Projects in 2021

Funding	Diocese	Project	Total project cost	Amount awarded
STF	Manchester	The proposal seeks to reshape the diocese for mission and growth through investment in mission to children and young people and in a church-planting programme, which will prioritise reaching the diocese's many deprived communities. Mission communities will be created in which clergy and laity share leadership roles across more than one parish, and deliver church in a wide variety of locations and in different ways to reach a wider demographic. This will be supported by a leadership development programme, which will nurture a new and diverse generation of leaders.	£6,000,000	£4,237,160
SDF	Blackburn	Lighting Up New Generations will help revitalise ministry in Blackburn and Blackpool, and build capability for revitalisation for the East Lancashire Valleys and along the Fylde coast. St Luke's Church Blackburn will become a church-planting youth church, alongside developing clergy, children's workers and youth workers across the diocese. St John's Church, Blackpool, will develop into a multi generational church with a strong youth focus, supporting plants in similar contexts and ministering to those suffering deprivation.	£5,748,495	£3,499,289
SDF	Coventry	The project will establish new worshipping communities in four locations in areas of high deprivation in the major population centres of Coventry and Bedworth.	£4,129,469	£1,250,000
SDF	Chichester	Revitalising the Church; Renewing the City will invest in Brighton & Hove by accelerating the development of two churches from different traditions: All Saints, Hove (modern catholic) and St Peter's, Brighton (charismatic evangelical). All Saints will expand its social outreach to grow its congregation and provide missional and educative resources for other churches from a catholic tradition. St Peter's will undertake four church plants focusing on areas of social deprivation and potential to reach a younger demographic.	£11,551,303	£2,500,000
SDF	Exeter	Ministry in Torbay will be revitalised through planting Bay Church to grow a new youth congregation, and revitalise at least three more family - and youth-focused churches in Torbay (including one post-SDF). The project will grow parent-led children's volunteer groups and youth groups to nurture discipleship, offer a Torbay-wide enquirers course, and run a social-action programme focusing on deprived parents, children and youth.	£3,056,497	£1,499,803
SDF	Leeds	Reaching Generation Next: aims to reach the 99.4% of unchurched students in Leeds and Huddersfield. Two student churches will be developed: the first into St Augustine's, Wrangthorn in Leeds, focusing on engaging unchurched students; and the second one into Holy Trinity, Huddersfield, alongside investment in digital engagement.	£2,939,733	£1,499,825

Funding	Diocese	Project	Total project cost	Amount awarded
SDF	Southwell & Nottingham	Beyond the Tipping Point: Growing Younger and More Diverse will invest in mission to children and young people in deprived areas in the city of Nottingham and in the wider county. 10 flagship churches will be developed for children and families, ministry and the project will also establish 5 youth hubs and develop 25 new local leaders in mission.	£5,349,642	£3,499,642
SDF	Winchester	Winchester Mission Action Phase 3 will revitalise ministry and mission across Basingstoke by creating a church-planting church across four sites: St Michael's Church (town centre), All Saints (town centre), St Peter's Church (South Ham) and Christ the King (Brighton Hill). The project will engage with the town centre and estates through prayer, worship, discipleship and social action, and will have a strong focus on younger age groups.	£6,540,000	£1,586,992
Innovation	Ely	Barnwell Sports Ministry and Mission aims to make use of sport on one of the most deprived estates in Cambridge to engage with young people in the community.	£429,230	£251,630
Innovation	London	This project will appoint two full-time members of staff to the leadership team of the Persian Anglican Community of London (PACL) BMO: A Discippler & Evangelist, and a Community Outreach Worker, both Farsi speaking, with the aim of supporting any and all Farsi speakers who come into contact with PACL, as well as providing for the spiritual needs of Farsi-speaking Christians and supporting them in their discipleship and missional journey.	£356,494	£250,000



Members of the nativity service at St Wulfram's in Grantham, part of Lincoln's 2018 project Strengthening Mission in Urban Areas

The Funding Programme in 2021

The aims of all funding streams align closely with the Church's Vision & Strategy priorities of building a church of missionary disciples, a church which is younger and more diverse, and a church where the mixed ecology is the norm. The Board continues to encourage applications from a wide variety of traditions for projects in line with the criteria.

During 2021, the **Strategic Transformation Funding** (STF) programme continued to gain momentum. In December 2021, the Board made its second major award of STF, awarding £4.2m to Manchester Diocese for its transformation programme. This followed an initial award of £1.7m for the first phase of this project, bringing the total amount awarded to Manchester to £5.9m. A further 10 or so dioceses received Capacity Funding support to develop their transformation plans. These dioceses have been able to start planning for their longer-term strategies, including developing lay ministry, bringing together ministry teams, and starting new congregations.

The majority of the funding for Manchester will support new parish-based roles. The project is investing in children's and families' workers, rolling out across the diocese the SDF-supported Children Changing Places project based in Bolton. There will be increased investment in leadership training for ordained and lay leaders, with a particular focus on the diocese's new lay focal leaders. Parishes will also be able to access direct help from Deanery Transformation Support Officers to help them to extend and grow their mission.



St Swithin's church, part of Lincoln's 2018 project Strengthening Mission in Urban Areas, worshipping outdoors during the summer of 2021

In 2021, the Board also invited two Stage 1 applications for STF forward to the next stage. Staff are working with several other dioceses as they develop their transformation programmes.

By the end of 2021, the Board had awarded a total of £11.6m of STF for major transformation projects in Manchester and Sheffield dioceses.



St Mary's Church, Newark, part of Southwell & Nottingham's 2017 award Mid-County Rural and Market Town Resource Churches

Capacity Funding is drawn from the £44m available for STF. 32 awards, totalling £4.7m were made in 2021. All dioceses are eligible to apply for funding to strengthen their strategic capacity, and in this current triennium, 20 dioceses and one non-diocesan organisation have received funding.

In 2021, the Board launched the £4.8m **Innovation Funding** programme. This aims to help find creative approaches to challenges facing the Church today, and supports innovation which is focused on at least one of the following underrepresented groups, as we aim to be a church which fully represents the communities we serve in age and diversity: younger people and children, lower-income communities, UKME/GMH populations and urban areas.

The Board made two awards of Innovation Funding in 2021. It awarded £252,000 to Ely Diocese's Barnwell Sports Ministry and Mission project, and funding of up to £250,000 to London's Persian Anglican Community (see page 18 for more details).

The Board looks forward to welcoming applications for Innovation Funding in 2022 from dioceses and non-diocesan organisations, as it seeks to encourage and support innovation that advances mission and supports the Church's Vision and Strategy.

By the end of 2021, **Strategic Development Funding** (SDF) had been awarded to a total of 84 major change projects across England, of which 68 have been supported since the SDF programme was significantly expanded in 2017. Many of the projects funded have been on a larger scale and with wider reach than had originally been envisaged when SDF was established, encompassing multiple strands and locations. In 2021, the Board awarded SDF totalling £15.3m to seven projects.

The SDF programme continues to make a very substantial investment in people, supporting many additional ordained and lay ministry posts, as well as interns and apprentices. SDF is also encouraging and supporting investment by dioceses in support roles, which has helped to implement and develop dioceses' strategy to strengthen and grow their mission and ministry.

Funding seeks to achieve **sustainable 'good growth'** by supporting programmes which increase the number of **new disciples, deepen discipleship** and **grow the Church's social engagement work**.

All projects supported by SDF include outcomes for growing **new disciples**. Prior to the Covid-19 pandemic, based on data provided to us from dioceses, the growth in the numbers of new disciples across the programme was encouraging and in line with what we expected for that stage of the SDF programme. However, the move to worship online during the pandemic made measurement of the growth in new disciples extremely problematic. In light of the impact of the pandemic, a build-back period is also needed before we can arrive at a reliable understanding of the growth in new disciples in individual projects and at a programme level. In the meantime, projects are continuing to measure as best as they can, and national Church staff will be working with them during 2022 to help ensure that measurement is robust as we start to emerge from the pandemic.



Members of the local community take part in Community Sunday hosted by Transforming Widnes, part of Liverpool's 2017 award Transform North West. These take the form of a community fun day, with lunch, local bands and groups performing, and worship.

Organising for Growth is a 3 year project delivered by the Centre for Theology and Growth, backed by the dioceses of London and Chelmsford, and funded through Capacity Funding. The project is focused on churches located within urban parishes in East London, spanning communities recognised as ethnically diverse and economically disadvantaged. The project aims to show that when community organising is harnessed thoughtfully, prayerfully and intentionally, it can make a significant contribution to changing the culture of urban congregations, to become more relational, outward-looking and activist in orientation. In its method, the project places significant emphasis on identifying and developing local lay leaders. Over time, the effect of this shift is expected to be measurable in terms of numeric increases in church membership, improved financial position, and notable successes through issue-based campaigning.

Since the SDF programme was expanded in 2017, we and dioceses have placed increasing emphasis on the development of intentional pathways to faith and to discipleship. A good example of progress being made in deepening discipleship is St Nicholas' church in Bristol which was planted in 2018. By the end of 2021, the church had an average weekly attendance of 270 with an additional 40 attending online. 67% of the congregation are serving on a team, 56% give regularly and 66% attend a small group. Some aspects of deepening discipleship are harder to measure; as part of Sheffield's 2020 STF award the diocese are aiming to encourage whole life discipleship through Lights For Christ, equipping them to enact their faith in the home, at work, and with friends, as well as at church, through a Rule of Life.

We are continuing to work with dioceses to understand how deepening discipleship can best be measured. Proxy measures are built into projects' measurement frameworks, for example attendance at small groups; numbers of confirmations and baptisms; and giving. These measures help identify where a clearer focus and attention is being placed on forming and equipping disciples of all ages to live out faith confidently in the whole of life.

Growth in ordained and lay leadership is also a good indicator of maturing discipleship. SDF-supported churches have started to produce significant numbers of ordinands and other potential leaders. For example, the Blackpool Ministry Experience project has, since 2018, raised two ordinands and a further four recognised lay leaders from very disadvantaged backgrounds. St John's church, Crawley, revitalised in late 2017, already has around 12 young adults from diverse backgrounds who have either become or are in the process of becoming ordinands, with another 20 at the initial-exploration stage. New Street Church in Falmouth has had nine people attending its Growing Leaders course.

The projects awarded SDF in 2021 all have a strong focus on deepening discipleship. An example is St Luke's Church Blackburn, which will launch mid-sized 'Connect' groups offering intentional community and

pastoral support and an opportunity for discipleship and fellowship, and small 'Circle' groups that will provide encouragement to go deeper in faith. The church will also launch a 'growth stream' offering teaching to ground new Christians in the faith and to give mature Christians an opportunity to go deeper in their faith.

Many existing projects have continued to expand their already significant and wide-ranging **social engagement**. For example, in Sheffield diocese, the project at Rotherham began issuing food parcels and broadened this into a social supermarket, plus debt counselling, addiction support and money-management advice. Pattern Church in Swindon has launched a Crosslight debt-advice service in partnership with others. In Chelmsford diocese's Growing New Christian Communities project, the church plant on the Debden estate has rented and refitted a shop to provide a base for a food bank and youth club, in partnership with the Red Balloons charity. Sea Church at St Aidan in Ennesettle in Exeter diocese opened a community larder to help families suffering as a result of the economic impact of the pandemic. The church has distributed around 9,000 meals to local people in need. This has helped build relationships and significantly increased the church's standing in the community.

Projects awarded in 2021 also have a strong focus on social engagement. For example, Winchester diocese's project to strengthen mission in Basingstoke will offer a wide range of outreach activities, including mentoring support for young adults, especially those not in employment, education or training; partnering with the Edge organisation to provide practical assistance to those in the most socially deprived areas of town, through help with legal issues, benefits and finances; and running a pop-up restaurant to make meals from food that would otherwise go to waste and provide apprenticeship training in the hospitality industry for the unemployed.



Deprived Areas

In 2021, £33.9m of LInC and transition funding supported parish ministry in 27 dioceses. This is supporting at least 1,700 parishes, with an average of £14,000 allocated per parish supported. £180,000 also goes to support ministry in the Diocese of Europe. And whilst the main responsibility for ministry in poorest areas lies with dioceses and local giving, LInC is an important fraction of the Church's support in these deprived communities. It can also function as a catalyst for wider changes. In this way, it dovetails with the SDF projects which aim to provide a more significant step change for dioceses for mission to deprived areas, and with STF awards which help dioceses move to a more sustainable funding model.

In Sneyd Green, in Lichfield Diocese, LInC has enabled the parish to employ a youth worker, without whose support they may not have been able to expand and reach out further into their community and help grow their church. In Bilston, a parish with some highly deprived areas and a church in one of the toughest estates in the diocese, LInC has supported the parish, which is now debt free and hoping to grow and develop further in the community. Neighbouring Bradley St Martin, in receipt of LInC, continues to grow and has a new incumbent who, in partnership with Bilston, will be able to reach the communities between the two churches.

In a former mining community in southeast Northumberland, in Newcastle Diocese, parish reorganisation in previous years had left one full-time priest serving a parish of 20,000 people. When the previous incumbent left, it took three years to fill the post. LInC was used to provide an additional full-time priest to the parish, and the appointment of additional ministry helped to secure a new incumbent. In Byker St Michael church work, with churches in Walker, across a Bishop's Mission Order called MINE (Mission Initiative Newcastle East). LInC is used to support a licensed lay focal minister at Byker St Michael who works across MINE, focusing on youth work. Through the focal minister, MINE has worked with St Thomas', an SDF funded church - planting church in Newcastle city centre. St Thomas' has supported the youthwork across Byker and Walker, and is introducing an Eden Project missional community into Byker.

In West Bolton, in Manchester Diocese, SDF and LInC work together in the local community. Children Changing Places works with and in local schools, providing chaplains, times of worship, and supporting students in transition between primary and secondary school, whilst LInC funding supports the team ministry, giving clergy capacity to support local mission and social action. In Halliwell, Children Changing Places & the local parish work together with Youth Services and a Befriending Service to support the community. The congregation and community are home to refugees, three of whom have trained as Licensed Lay Ministers since joining the church. Rev'd Fayaz Adman, part of the West Bolton team, also looks after a Farsi and Urdu congregation locally. Within the diocese, LInC also supports an Iranian priest who works with people for whom English is their second language, and who also works on wider translation projects for the Anglican and Catholic Church.



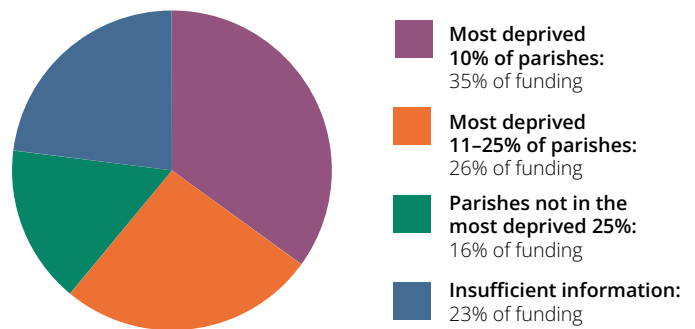
Part of the 2017 award to Blackburn Diocese's Outer Estate's leadership project, Freedom Church Mereside is led by pioneer minister Rev'd Linda, and her husband Pete, who is a Church Army evangelist on the Mereside Estate in Blackpool, alongside the parish of St Paul's. The church's motto is 'Everyone's Welcome, Nobody's perfect, Anything's Possible'.

For the past 5 years, they have held a walking nativity, which Rev'd Linda described: "We start at the windmill at the far end of the estate, where we are joined by one of the lovely Blackpool donkeys; this year it was William, and he was very well behaved. The community are encouraged to join us, dressed up as one of the characters from the nativity story. The narrator tells the story, and the choir led us in carols and Christmas songs. We then walked to the Toby Carvery Pub where we asked the staff if we could stay the night, but they turned us away as they don't do accommodation. Then we wandered to the green, where we picked up the shepherds, and then off to a street where we found the kings!

Finally, the joyful procession ended at the stable scene in the Freedom Centre, where a newborn baby (Axel, kindly provided by our churchwarden) was laid in the manger, and we sang with joy for the arrival of the Christ child.

One member of the community remarked, "It gave me such a profound sense of Christ living amongst us that I'd never had before."

To facilitate accountability and mutual learning, we ask dioceses to provide information annually to the national Church (and, through the national Church, to each other) on how they use the LInC funding. The survey on the use of 2021 funding will be sent out in the first half of 2022.



During the 2017-19 funding period, dioceses made steady progress towards directing the LInC funding to their most deprived communities. In 2020 from those dioceses which gave data, the proportion of funding that is going to the most deprived 25% of parishes is 61%. We have confidence that £19.2m pa is going to the 25% most deprived areas, an increase of £6.7m since 2017.

Previously, dioceses had been asked to provide information to confirm that, by 2021, all the funding would be directed at the most deprived areas. Because of the impact of Coronavirus, several have had to postpone planned changes in parish share systems. By 2022, if the planned changes are made, we will be able to confirm that funds are wholly directed to deprived areas in 17 of the 26 dioceses. Some dioceses mentioned how more-intentional use of LInC will feature in their plans for diocesan transformation.

Alongside the Lowest Income Communities Funding, a key target of Strategic Development Funding is to support mission in deprived areas where the Church has had little effective engagement for many years. Less than 1% of those living in deprived areas now attend a Church of England church.

In 2021, 60% of SDF was awarded to support mission to those living in deprived areas. All of the projects awarded funding in 2021 include a strong focus on mission in deprived areas.

For example, in Coventry diocese's Urban Plants Programme, the project will invest in four areas of high deprivation in Coventry and Bedworth. A new congregation will be grown in each location, with the aim that, in time, these congregations will replicate into other estates / urban contexts and provide learning environments for leaders-in-training to gain expertise and confidence for church planting and community engagement.

In Exeter diocese, mission will be revitalised in Torbay through planting Bay Church' based at St Andrew's Church in Paignton. The church will grow parent-led children's volunteer groups and youth groups to offer discipleship; offer a Torbay-wide evangelism programme; and run a

social-action programme focusing on deprived parents, children and young people who are struggling with issues such as unemployment, debt, abuse or addiction.

The SDF programme as a whole is now supporting a wide range of projects and mission approaches in deprived areas ranging from small to medium-sized community church plants; fresh expressions of church; parish children's and families, missionaries; church-planting churches; leadership development programmes, training and coaching aimed at enthusing lay and ordained leaders to bring the Good News of Jesus to the poor; investment in parishes to multiply new congregations; pioneer ministry on estates; and mentoring for parishes and local lay people to become effective in community evangelism.

The restrictions in response to the pandemic continued to be a particular challenge for projects in deprived areas during 2021. This is because residents often do not have access to the technology necessary to attend online gatherings, may not be able to afford data, and often suffer from slow internet services. Some projects have also found that people lack the confidence to participate in video meetings. Staff are working closely with these projects to support them as we start to emerge from the pandemic.

Sheffield's Transforming Children project deploys 15 centrally employed youth workers serving parishes across the diocese. Over 2,300 children and young people regularly attending a group run by one of the youth workers, with nearly 500 of those moving into discipleship. Three youth hubs are in place in Doncaster, Hickleton, Rotherham and Sheffield offering a range of activities according to local needs. The project employs the youth workers centrally, which allows it to provide better line management support, and to gather the youth workers to meet together to pray, talk and support each other, reducing the risk of them becoming isolated.

St Thomas Church, in Newcastle City Centre, funded by Newcastle's 2018 award Revitalising Ministry in the Heart of Newcastle





Leeds's 2021 project Reaching Generation Next, aims to reach the 99.4% of unchurched students in Leeds and Huddersfield. To do this, two student congregations will be developed: the first into St Augustine's Church, Wrangthorn in Leeds, and the second into Holy Trinity, Huddersfield.

Mission to Children & Young People

The Church faces a pressing need for more effective outreach and mission to children and young people, and this is reflected in the Vision & Strategy's priority to become a younger Church.

Of the SDF projects awarded in 2021, all have a specific focus on children, families, young people or students. The Strategic Transformation Funding and Innovation Funding also have a strong focus on mission to children and young people.

In 2021, 60% of SDF was directed towards projects engaging with children, young people and families.

For example, Southwell & Nottingham's project seeks to extend mission to children and young people in areas affected by income deprivation in Nottingham and in the wider county. They plan to develop 10 flagship churches for children and families ministry, each of which will establish a new worshipping community focused on reaching children and families in fresh ways (in church or school), and support other churches in mission to children and families. 5 youth hubs will form missional outreach and discipleship groups, and develop new local leaders in mission. 25 churches will be helped to establish thriving children & families, and/or youth ministry, and will have access to financial support from the diocese's Youth & Children Fund.

Leeds' project aims to reach the 99.4% of unchurched students in Leeds and Huddersfield. To do this, two student congregations will be developed: the first into St Augustine's Church, Wrangthorn in Leeds, and the second into Holy Trinity, Huddersfield. The project is using innovative digital methods to try and reach these younger generations.

The Innovation Funding award to Ely diocese is supporting sports ministry work with children and young people at Christ the Redeemer Church in Barnwell, Cambridge. The church is on an outer urban estate, and nearly one in five people in the parish are aged between 5 and 18 years old. The project will test how effectively the recruitment of Sports Ministers – trained at Ridley Hall – within an urban parish leads to greater engagement with young people.



Transforming Widnes, part of Liverpool's 2017 award Transform North West



CS/MS/1327

St Matthew's-at-the-Elephant is a bilingual congregation in Elephant and Castle, worshipping in English and Spanish, as part of Southwark's 2019 award A Fruitful Future, developing mission, ministry and outreach

Mission Amongst UKME/GMH Communities

Since June 2021, in response to a recommendation in the report of the Archbishops' Anti-Racism Taskforce, From Lament to Action, we expanded the criteria to explicitly include targeting SDF on UKME/GMH communities. The first Stage One applications for SDF under the amended criteria were submitted in autumn 2021 (the Board will consider the Stage Two applications for SDF award in 2022), and the Board was pleased to see that they included a strong focus on mission in UKME/GMH communities.

The existing criteria of SDF already prioritised large urban areas and, within that, either deprived communities, young people or both. This encompasses many areas that contain significant UKME/GMH communities. The Board's awards in April 2021 included two projects targeting young people and students in such areas, in Blackburn and Huddersfield. In discussing those, the Board affirmed its commitment to encouraging applications that address diversity.

Several existing SDF projects focus on UKME/GMH populations, including Leicester's Intercultural Worshipping Communities and Chelmsford's Renewing Newham project. SDF has also supported the development of UKME/GMH leaders within the Church through these projects, who have moved into developing further SDF projects and into leadership roles in the wider church.



Trinity Church Nottingham is part of Southwell & Nottingham's 2016 award Growing Disciples

St Paul's Slough, is an intercultural worshipping community in Oxford Diocese. With SDF support, the church is seeking further growth in its congregations and in ethnic participation, and will share models and learning across the diocese to encourage and support effective intercultural mission, offering mentoring, training and support to other churches.

Other funding streams are also focusing on supporting mission within UKME/GMH groups. The Board awarded Innovation Funding in 2021 to London Diocese for its Persian Anglican Community of London project, which seeks to develop an organised and equipped team of trained Christian community workers, evangelists and disciplers to support Farsi speakers in their practical, social, cultural and spiritual needs.

Evaluation, Monitoring & Learning from SDF

Outcomes in Project Plans

Dioceses provide a description of the outcomes expected from their project. These must relate to how the project is seeking to make a significant difference to the diocese's mission and financial strength, including growth in numbers, depth and social action.

There must be some numerical aspect to the outcomes, though there may also be some more qualitative measures, such as a vision for the cultural change sought.

Staff encourage dioceses to develop and agree on their own measures, as this ensures that the approach to measurement at a project level is a common understanding of progress being made in what is most important to the team, rather than an imposition from the national Church as funder. This means that measures are more reliable and meaningful, albeit at the expense of comparability.

Annual Reviews and Programme Boards

The Covid-19 pandemic has provided a unique set of circumstances for projects, and so required a different kind of engagement. Throughout the pandemic, dialogue has been in place with projects to monitor how they have been affected, including moving away from in-person events, increasing social action, or use of the furlough scheme. The focus has been on resilience and adaptability.

During 2021 staff focused on conducting annual reviews for projects and, where necessary, project resets, after a hiatus in 2020. The aim of the annual review is to pause and reflect on progress during the previous year, take stock of the lessons learnt, and to look ahead and plan for the next 12 months. For a small number of projects, a major reset is needed where their progress is significantly slower and/or different compared to the original plan; this may be primarily due to the impact of the pandemic or there may be a range of other factors.



Transform Widnes in Liverpool Diocese holds a Community Sunday once a month, which is a community fun day where lunch is provided, community music groups perform, and attendees take part in a local litter pick

Final Evaluation Reports

At the end of a project, a final independent evaluation is undertaken. This will provide learning for other projects, as well as assessing the ongoing sustainability of the mission work undertaken.

The evaluation report should cover the extent to which the project achieved the outcomes it set out to do, an assessment of the validity of the project design, how well the project was delivered, the sustainability of the project, and any immediate steps to normalise the work. There should also be significant output in terms of learning and advice to other dioceses for those undertaking similar work.

In 2021, four end of project evaluations took place; Leicester's 2014 Pioneer Development Workers award; Guildford's 2017 New Opportunities award; Coventry's 2015 Acceler8 award; and Portsmouth's 2016 Pioneer Training award.

Learning

The primary method of distributing learning is through the expertise of the consultants working with diocesan teams – making connections between different projects and communicating learning points to dioceses immediately as issues arise. Some summary cross-cutting learning has been drawn from the funding programmes and has shaped the application process.

Developing a robust Mission Theory. An important contribution to the Church from the SDF programme has been to introduce a discipline of thinking through how, in practice, interventions might lead to the missional outcomes sought, and systematically thinking through the barriers to project effectiveness and how these might be overcome, and the assumptions being made. This discipline has evolved and developed over the course of the SDF programme.

Programme management disciplines. Another key learning point has been the introduction of programme disciplines into projects. This is another area where SDF has influenced the Church: providing support through funding for programme management capacity and challenging and testing the rigour of project plans against widely accepted project management standards.

Intentional evangelism. One key piece of learning that has come through engaging with mission theories is that intentional evangelism is necessary in order to achieve any missional outcomes. In assessing projects, the SIB asks questions of projects without a clear point of witness about how they are expecting growth to happen.

Together, this learning, embedded into funding policies and built into the SDU's consultancy practice, is improving the strength and impact of SDF projects, and spilling over into improvements in a wide range of the Church's activity.

This year we sent dioceses learning about the development of the Church's mission in those cities or towns where a diocese has revitalised an existing church or planted a new one, with the goal of planting new congregations, as well as supporting the mission of the wider Church in other ways.

This showed, among other learning, that these churches:

- Increased attendance by an average of 400 after three years, with no evidence of an aggregate negative impact on bordering parishes.
- Have a majority of attendees are under 30 (whereas in the Church of England as a whole, the majority of attendees are over 55).
- While there is some transfer growth, the majority of attendees weren't going to a local church before they started to attend the church.
- Revitalise parish churches, on average, twice every three years, many in deprived areas.
- Significantly develop the Church's social impact.
- Generate new vocations to ordained ministry, with the average having four people currently in discussions about ordination.
- Generate significant levels of giving, with the median generating £200,000 additional giving by year 3.

Fountains Church Bradford was relaunched post lockdown in September 2021. The church has transformed a derelict nightclub into a place for worship and prayer. They have seen growing numbers of worshippers, and offer small groups and discipleship courses, alongside Sunday services. The leadership team has worked to create relationships locally and support social enterprises. They have set up the Grace Kitchen, which works in partnership with local suppliers to use food that would otherwise be wasted. The Kitchen delivers to food banks as well as providing 'pay as you feel' meals in exchange for a donation three times a week. They have also launched a wrestling school at the church, to help support young people in Bradford get involved with sport and church, through a rather untraditional route.

Independent Review

To further facilitate learning, in 2021, the Strategic Investment Board commissioned an independent review of the Lowest Income Communities (LiNC) and Strategic Development Funding (SDF) schemes. This will learn from the experience of the two funding streams and make recommendations about how the funding might be best used in future to support dioceses in their visions for mission and growth. In particular, the review will answer two questions:

- What have SDF and LiNC achieved in the Church since their inception in 2017?
- How can national funding best be used in the future to enable dioceses to deliver growth in numbers, depth and social transformation?



A mountain pilgrims leaders retreat, led by the outdoors and education Pioneer Enabler as part of Carlisle's 2019 award Reaching Deeper

The review panel are a range of committed Anglicans who are seeking the health and fruitfulness of the Church, and who bring a range of professional and personal perspectives:

- **Sir Robert Chote (Chair)** – economist and former journalist, Chair of the Northern Ireland Fiscal Council, Trustee of Westcott House theological college, and former head of the Office of Budget Responsibility and Institute for Fiscal Studies. He worships at All Saints Margaret St, London.
- **Busola Sodeinde** – Chartered Accountant; former CFO at State Street Bank; Founder of Bearings Point Media, Church Commissioner (sitting on their Audit & Risk Committee); Trustee of The Scout Association; Non-executive Director at Ombudsman Services; PCC member at Holy Trinity Brompton, London;

and recently elected to the General Synod.

- **Bishop Sarah Clark** – Bishop of Jarrow in the Diocese of Durham, previously Archdeacon of Nottingham and a parish priest in a low-income community.
- **Stephen Smith** – Chartered Accountant; former Executive Director of the National Audit Office; previously a partner at KPMG; Trustee of St Mungo's homelessness charity; a non-executive member of Rochester Cathedral's Finance Committee; and Communicant of St Peter's, Ightham, Kent.

The panel has requested and seen a wide range of diocesan and national material, undertaken a series of interviews, and commissioned a survey of dioceses to better understand their views. The report is likely to be published in spring 2022. The SIB will learn from their recommendations and respond accordingly.

Financial Position

A total of £64m (£21m pa) was originally made available for award as SDF to dioceses in 2020–22. However, in response to Covid-19, £12m of SDF was reallocated in 2020 to help fund the Sustainability Funding created to support dioceses during the pandemic. This meant that the amount of SDF available to award in 2021–22 was significantly reduced to £30m (£15m pa). In 2021 £15.3m of SDF was awarded to seven projects. £15m of SDF is available for distribution in 2022.

£1.2m was reallocated from Innovation Funding to Sustainability Funding, reducing the total funding made available for 2020–22 from £6m to £4.8m. The Innovation Funding launch was delayed due to the pandemic; to date, the Board has awarded a total of £0.5m.

Of the total £35m of Sustainability Funding, the Board awarded £14.9m in 2020 and £9.3m in 2021.

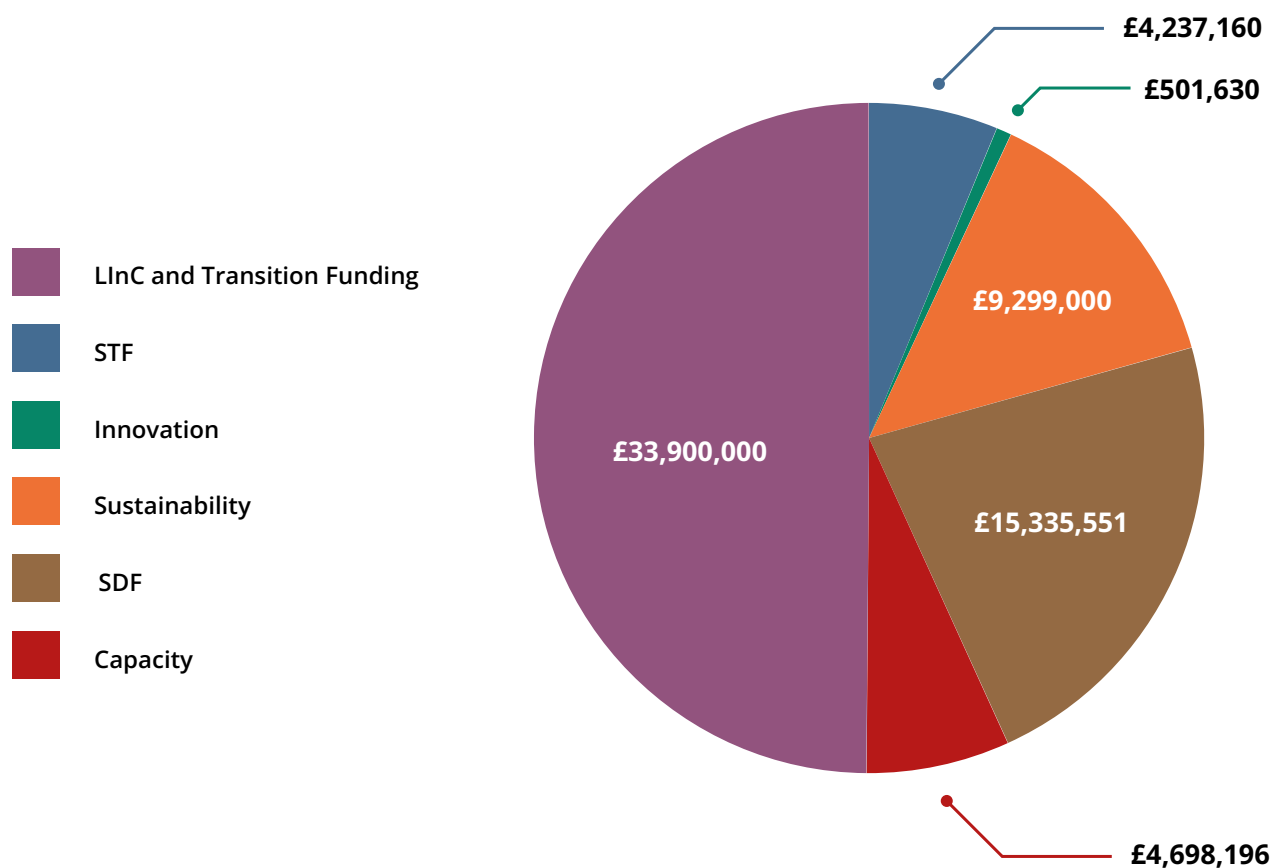
The Archbishops' Council and Church Commissioners made a total of £44m of Strategic Transformation Funding in 2020–22. The Board awarded £4.2m of this in 2021, bringing the total amount awarded in 2020–21 to £11.6m.

Capacity Funding is drawn from the Strategic Transformation Funding pot. The Board awarded £4.7m of Capacity Funding in 2021, bringing the total amount of Capacity Funding awarded in 2020–21 to £8.7m.

£23.4m remains available for award as Strategic Transformation Funding and Capacity Funding in 2022.

The total amount awarded as grants in 2021 from all the funding streams described above is £34m.

Total Funding Awarded in 2021



Conclusion

Despite the many challenges presented by the ongoing Covid-19 pandemic during 2021, there is much to be thankful for and to celebrate. The fruits of the national Church's investment in projects in parishes all across England are being seen, with many new disciples turning to Christ. All of this work will provide a firm foundation for the realisation of the national Vision & Strategy to be a Jesus Christ centred and shaped church as we look forward, with hope and confidence, to the future.

List of Strategic Investment Board Members in 2021

John Spence (Chair)

Richard Best (to April 2021)

Matthew Frost

James Harrison

Bishop of Manchester

Katherine McPherson

Loretta Minghella (to September 2021)

Deborah Rowland

Mark Sheard

Alan Smith (from October 2021)

Nigel Timmins (from April 2021)



Carlisle's 2019 award *Reaching Deeper* includes a Men in Sheds meeting, led by the project's New Monasticism pioneer enabler

