

Diocesan Investment Programme

Funding guidelines

1. Background

In the summer of 2022, the national Church agreed and announced its 2023-31 spending plans. The plans include the creation of Strategic Mission and Ministry Investment (SMMI), which is to enable the strategic priorities and the bold outcomes of the Church of England's Vision and Strategy for the 2020s. The vast majority of this funding will go directly to dioceses to advance their plans for the Vision and Strategy in local parishes and communities across the country.

A total of £1.2bn has been committed to SMMI between 2023-31 (£390m in 2023-25). This comprises:

- The Diocesan Investment Programme totalling £1.1billion between 2023-31 (£340m in 2023-25, of which £100m is Lowest Income Communities Funding).
- People and Partnerships Funding of £170m in the same period (£49m in 2023-25), which supplements the direct investment provided to dioceses by funding the pipelines of people, the capacity, and the research which will be needed to deliver the Vision and Strategy across the whole country.

The Archbishops' Council agreed the new programme should build on the intentionality and accountability of the funding arrangement introduced in recent years whereby national funding has supported dioceses to undertake significant programmes to support local parishes develop mission within particular geographical areas and demographic groups, to develop and deliver diocesan-wide transformation programmes and to increase the number of newly ordained ministers.

The Archbishops' Council has agreed to create a SMMI Board (replacing the Strategic Investment Board) to distribute monies to dioceses and other bodies and oversee the impact of the investment through monitoring, evaluation, and learning. The Board's membership comprises members of the Archbishops' Council, Church Commissioners, diocesan leaders, and independent members with relevant expertise.

2. Funding Strategy

Purpose - The Diocesan Investment Programme's purpose is to focus investment on enabling the bold outcomes and strategic priorities of the Church's Vision & Strategy to become a reality in parishes and communities, prioritising investment in the most deprived and resource-poor contexts.

This will enable dioceses to develop new areas of mission, revitalise mission and 'scale-up' missional approaches that are proving effective.

Approach - The new funding arrangements will operate in the following ways:

- The way in which dioceses access the funding will shift from supporting discrete projects by application towards a strategic development approach over the next nine years.

- There will be a tailored approach of funding and support to each diocese, recognising that different dioceses are at different stages of development in terms of their mission planning.
- Diocesan leadership teams will have the time they need to work with front-line ministries to plan and discern what is needed to develop mission in their diocese.
- Funding proposals from dioceses should detail how national funding can best support them in delivering their own strategy, in line with the Church's Vision & Strategy.
- There will be a transparent process for putting forward funding proposals and a prayerful assessment process of those proposals.

The **principles** which govern the programme are as follows:

- *Relational & supportive* – Active partnership with diocesan and local church leaders, working together to enhance programme plans and being Spirit-led
- *Transparent & honest* – Openness about decision-making processes to maintain trust, and a commitment to share the lessons of funding (successes and failures) to maximise its impact
- *Intentional* – Funding is linked to a plan setting out what change is anticipated and how it will be achieved
- *Empowering* – Those receiving funding are helped to build capacity so they are in a better position to lead and sustain frontline mission
- *Evidence-based and realistic* – Respecting local knowledge, decisions about funding are based on high-quality evidence integrated with practitioners' understanding of their context
- *Humility, recognising this is God's work* – Recognising success is dependent on God, excited and curious to learn what God will do, and trying to share our own skills with humility

3. Accessing Funding

The Diocesan Investment Programme will provide dioceses with the tailored support they need now to enable the Church's Vision and Strategy *and* build their capacity to develop mission further during the nine years of the Programme. The aim is to identify how national funding can best support dioceses to move to the next stage of development in enabling the Church's Vision & Strategy to become a reality in their context, not for each diocese to immediately develop the most ambitious strategic plan:



<p>Short-term investment, e.g.</p> <ul style="list-style-type: none"> • Capacity to work on a diocese’s strategy development; • Removing barriers to change; • People pipeline investment, including curacies 	<p>Investment in missional programmes</p> <p>Investment in targeted missional programmes to help dioceses increase, say, the number of children’s/youth workers and ministers for estates over the next 3-6 years, and further increase change capacity</p>	<p>Substantial grants made to invest in people, programmes and other capacity needed to deliver a long-term strategy for mission and ministry across the diocese, with regular reviews of progress and funding needs.</p>
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a. What kind of investment?

Recognising that funding to build effective planning and discernment capacity may be the first funding a diocese requires at any stage of strategic development (see diagram above), there are two different types of investment proposals for which a diocese can access funding:

1. A plan to develop mission across the whole diocese which sets out the additional people, capacity, and other resources needed to deliver it.
2. A major change programme to develop mission focused on a particular geographical area or demographic group.

Both types of investment must be framed by the diocese’s overall strategy in line with the priorities of the Church’s Vision for the 2020s. This should be an articulation of the diocese’s current strategic thinking; it is not asking dioceses to write new material for the purpose of accessing funding. The level of thinking and discernment should also be commensurate to the quantum of funding requested.

Dioceses are also actively encouraged to include in their strategic plans smaller scale innovative projects which will generate learning about the Church’s key mission challenges in moving towards delivering the bold outcomes of the Vision and Strategy.

The **Lowest Income Communities (LInC) Funding** will underpin mission in deprived contexts. This funding will continue to be distributed by formula. As part of the wider conversations with diocesan teams about their strategy development and funding requirements, those dioceses which receive LInC funding will be invited to say how they intend to use their funding, and report on a minimum of one outcome. Providing this reporting will be a condition of a diocese receiving its funding in subsequent years.

The conversations with diocesan leadership teams about their strategy development and funding requirements – and specific investment proposals – will be led by the national Church’s Diocesan Support team.

b. Funding expectations

The primary driver of the distribution of funding will be the strategic ambition of dioceses. There is no formula to decide what each diocese receives but the SMMI Board will seek to ensure that – over time – the amounts which are distributed to individual dioceses are proportionate to their population (i.e., largest receiving more) and resources (i.e., those with the lowest investment assets and lowest residents’ income receiving more). In this way, population size and lack of resources should not inhibit strategic ambition. The latest data on dioceses’ population, residents’ income, and investment assets is set out in **appendix A**.

This data (updated over time) will be used to guide the expectations that dioceses can have about the amounts of funding they might receive over the nine-year lifetime of the Diocesan Investment Programme. This will be applied to guide expectations; there is no formula and no fixed funding amounts will be established. The decisions about which proposals to support will ultimately centre on maximising impact, i.e. where there is finite money to distribute, priority will be given to proposals assessed as most likely to achieve the greatest impact in relation to the goals of the Church’s Vision and Strategy.

4. Proposal assessment and development

a. Criteria

As noted above, any funding proposal which a diocese wishes to make must be accompanied by its overall strategy in line with the priorities of the Church’s Vision for the 2020s. This should include a people plan and a finance plan. Again, the level of planning should reflect current thinking and be commensurate to the amount of funding requested. This articulation of the diocese’s strategy will help to communicate how the proposal fits with and supports what the diocese has discerned are its priorities for mission and ministry development. **Appendix B** sets out the areas to cover when diocesan leadership teams summarise their diocese’s strategy.

Within the context of the diocese’s strategy, the funding proposal will be assessed by the SMMI Board using the following criteria:

1) Does the proposal have a significant strategic impact aligned with the Church’s Vision & Strategy?

Assess whether the scale and phasing of the resources requested reflects the strategic impact in the following areas:

- Scale of delivery against the bold outcomes:
 - Doubling the number of children and young active disciples in the Church of England by 2030.
 - A Church of England which fully represents the communities we serve in age and diversity.
 - A parish system revitalised for mission so churches can reach and serve everyone in their community.
 - Creating ten thousand new Christian communities across the four areas of home, work/education, social and digital.

- All Anglicans envisioned, resourced, and released to live as disciples of Jesus Christ in the whole of life, bringing transformation to the church and world.
- All local churches, supported by their diocese, becoming communities and hubs for initial and ongoing formation.

- Scale of the target population.

ii) Will the plans (mission, people and financial) achieve the anticipated outcomes?

- Assess whether any elements of the plans, or how they work together, need further development.

iii) Does the overall capacity described give confidence in delivery?

- Assess whether the diocese has the capacity to deliver the proposed plans.
- Assess whether there is a convincing plan for how the work will be sustained once national funding ceases.

b. Process for proposal development and approval

Within the partnership approach described above, funding proposals against the dioceses strategy, will emerge from the conversations between diocesan leadership teams and the consultants of the Diocesan Support Team. There is active encouragement for joint diocesan applications. The consultants will also support diocesan teams as they take proposals through the formal assessment process. Before that commences, there will be an opportunity for diocesan teams to have a learning review. This will involve a meeting between a diocesan team working on the design of its strategy and accompanying funding proposal, with relevant NCI staff and (possibly) members of another diocesan team or external organization, to share learning from others who have attempted similar work.

The decisions about the award of funding will be taken by the SMMI Board. The Board will be advised by a multi-disciplinary review group comprising staff from the Vision and Strategy and Ministry Development teams, the Chair of the Diocesan Secretaries Liaison Group and an independent member experienced in assessment. This group will be coordinated by the Head of Funding and Learning. Additional expertise will be brought in as necessary, to give the best possible advice to the Board on specific proposals.

In line with the principle of simplicity, there will be a single stage Board assessment of a diocese's investment proposal in line with its strategy. A summary of the funding proposal (see appendix C) and a brief PowerPoint telling the story of the proposed overall strategy will be the basis for the Board's assessment. The Board will then consider the proposal against the criteria above. There will be an expectation that plans on implementation, how dioceses oversee this work and how they engage stakeholders will have been or will be developed. For large and complex proposals, dioceses will attend the Board (virtually) for a brief Q&A session.

The Board will decide whether or not to approve the proposal and if any conditions should be attached to the grant award. Authority may be delegated to the Vision and Strategy team to assess the detailed delivery plans relating to the proposed investment and any conditions agreed by the Board.

The table below summarises the process:

Proposal development	Diocesan teams discern and develop funding proposals, in the light of their overall strategy development, in conversation with their consultant from the Diocesan Support Team.
Learning review	Review learning that can support the design of the strategic plans. Discussion with NCI staff and (possibly) members of other diocesan teams or external organisations, to enable the diocesan team to access learning from those undertaking similar work. This is recommended, unless replicating tried and tested work.
Further proposal development	Taking account of what was gained from the learning review, adapt the strategy and accompanying funding proposal.
Review group	Review the funding proposal in the light of the funding criteria, effective grant-making and existing evidence on approaches being proposed within the missional design, to make recommendations to the Board.
SMMIB – single stage decision-making	SMMIB assess proposals in the light of the funding criteria, taking account of the Review Group’s recommendations and a Q&A session with the diocesan leadership team. The Board will decide whether or not to approve the proposal and if any conditions should be attached to the grant award.
Detailed delivery planning	Diocesan teams finalise detailed delivery, governance, and stakeholder plans, taking account of any conditions imposed by the Board. The Diocesan Support Team supported by the Funding and Learning Team and other colleagues from the Vision and Strategy team, assess the plans on behalf of the Board.
Funding released	Diocesan team starts to implement plans, supported by the Diocesan Support Team.

Three of the Board’s meetings a year will be dedicated to assessing funding proposals, allowing dioceses to bring major proposals forward at the start, middle or end of the year.

Where dioceses have urgent capacity constraints in the early stages of developing their strategy or a capacity gap that limits on-going programme delivery, an additional funding proposal in line with the diocese’s people plan may be submitted at any time, for approval by the Board.

5. Monitoring, evaluation, and learning

The monitoring, evaluation, and learning (MEL) relating to the Diocesan Investment Programme will be led by the Funding and Learning team, reflecting best practice from the work with Eido Research to develop Learning and Outcome Frameworks. The Diocesan Support Team will facilitate dioceses’ ongoing self-assessment of programme progress for reporting to the Board and the Annual Reviews.

- Changes to activities or posts within a programme which do not alter its overall outcomes will be agreed between the programme leads and the consultants from the Diocesan Support Team who serve that diocese. Major resets of programmes which involve changes to their agreed plans, closing specific parts of a programme of work and potentially altering mutually agreed

outcomes will need the approval of the Board; the Board can delegate approval of relatively modest resets to the Head of Funding and Learning.

- The table and learning questions in **appendix C** will form the reference point to enable effective monitoring.
- The Annual Review of programmes will focus on three aspects:
 - The main concern will be to refine and ensure effective delivery;
 - Capture learning on why something has or has not worked as expected, having assessed progress in delivery against outcomes and key milestones agreed at the outset; and
 - Clarify next year's annualised budget based on previous years' payments and financial management.
- An independent evaluation will be required and should be budgeted before the conclusion of the programme of work. Dioceses will need to articulate how what is discerned from the evaluation will change future work in the diocese.

Given that almost a third of the Diocesan Investment Programme will be distributed by formula for Lowest Income Communities funding to support and develop mission in low-income communities, all dioceses who receive this funding will be asked to agree a minimum of one outcome measure to report on in the light of their plans for its use.

6. Payment

With larger sums of money being granted – and potentially over a longer time period – there is a need for key milestones relating to the activity (which may change over time) and **a set of anticipated outcomes the funding will support which are mutually** agreed upfront with the SMMI Board. Given planned work will need to adapt based on reality, there is also a need for simple, flexible processes to approve changes to dioceses' original plans and milestones in the light of ongoing experience, learning and discernment:

- Dioceses will commit to an annualised budget for the next year, and this will be pre-paid to them in six monthly instalments, rather than refunded against spend. (This applies to all new proposals from 2023 onwards; existing grant awards will shift to annualised budgets through annual reviews, i.e. the transition will take 12 months.)
- Where dioceses are unable to manage pre-paid finance effectively, quarterly payments will be made on spend.
- The budget should be **produced with the template** accompanying this guideline.

Appendix A - Table of Diocesan Population and Investment Assets

The total funding to different geographies, levels of deprivation, investment assets, etc. will be tracked over time to check if the redistributive aims are being met, or if other biases are creeping in.

Diocese	Population	Average Adult Personal Income 2019/20	Investment Assets per Capita
Bath & Wells	974,000	£22,191	£43
Birmingham	1,592,000	£18,082	£10
Blackburn	1,370,000	£18,625	£17
Bristol	1,048,000	£22,284	£37
Canterbury	993,000	£21,006	£8
Carlisle	498,000	£20,202	£75
Chelmsford	3,268,000	£23,349	£16
Chester	1,656,000	£23,725	£7
Chichester	1,717,000	£23,900	£25
Coventry	917,000	£22,179	£78
Derby	1,073,000	£19,912	£55
Durham	1,502,000	£17,646	£18
Ely	770,000	£24,861	£94
Exeter	1,208,000	£19,187	£38
Gloucester	682,000	£24,167	£58
Guildford	1,071,000	£36,126	£18
Hereford	335,000	£20,651	£90
Leeds	2,799,000	£19,554	£13
Leicester	1,073,000	£20,057	£38
Lichfield	2,194,000	£18,789	£20
Lincoln	1,096,000	£18,982	£80
Liverpool	1,628,000	£18,367	£6
London	4,421,000	£34,596	£34
Manchester	2,213,000	£17,946	£13
Newcastle	842,000	£19,313	£6
Norwich	929,000	£19,388	£59
Oxford	2,428,000	£30,038	£59
Peterborough	941,000	£22,809	£69
Portsmouth	794,000	£21,227	£27
Rochester	1,380,000	£26,977	£21
Salisbury	969,000	£23,098	£32
Sheffield	1,314,000	£17,578	£18
Southwark	2,902,000	£30,709	£35
Southwell & Nottin	1,175,000	£19,003	£36
St.Albans	1,956,000	£28,102	£35
St.Edmundsbury &	682,000	£22,182	£21
Truro	576,000	£18,033	£79
Winchester	1,248,000	£24,376	£17
Worcester	902,000	£20,804	£45
York	1,456,000	£19,308	£33

Appendix B – Strategic Framework (areas to be covered)*

Any funding proposal should be supported by an articulation of the diocese’s strategy which covers the following areas, recognising that different dioceses are at different stages of development in terms of their planning. This document should reflect current thinking from what the diocese has discerned to date (see diagram on page three), and the level of thinking should be commensurate to the quantum of funding requested. This supporting document could be drafted as a PowerPoint.

1. Profile of Diocese

- . Map and analyse the context (urban, rural, etc.), size of population and demographics to illustrate the profile of the diocese.

2. Missional Vision to 2030 and beyond

- . What could a missionally thriving, growing diocese look like, embracing all contexts and traditions, and aligned to the Church’s Vision and Strategy?

3. Key missional, people and financial challenges

- . Briefly describe these challenges, and include a short overview of the current missional and financial strength of parishes.

4. Current approach to addressing these challenges

- . Actions currently being taken and initial indicators as to whether they will bear fruit (*could be an existing funded project or other initiatives*)

5. Future missional priorities (missional plan)?

- . Key priorities for mission and how these are expected to be achieved over an indicative timescale.

6. Who is needed and when (people plan summary)?

- . Clarify the quantum, skills, and experience of future roles (ordained and lay) to deliver this strategy, identifying how this will be achieved through formation, transition, and recruitment from the current position.

7. How will new and on-going work be funded and when (financial sustainability plan summary)?

- . What is the plan to ensure future sustainability, clarifying the future number of churches and worshipping communities that will be supported in this strategy, and how planned work and different funding streams (including SMMI) will enable this.

8. What are the key areas to focus on next?

- . Outline strategic thinking, key initiatives, innovative projects etc. that are envisaged to deliver the diocese’s strategy and their alignment with the Church’s Vision and Strategy.

9. Readiness for this change

- . Describe the expected future leadership and culture required and capacity to deliver the changes outlined in the strategy.

***Will be reviewed in 2023 after use with first SMMI cohort**

Appendix C – Diocesan Investment Funding Proposal Template*

This document should ideally be 8 pages long, with relevant supporting documentation that the diocese's will have produced for their own purposes on strategy, programme design and implementation plans, proportionate in size to the funding requested.

Name of Organisation and programme lead:

Previous national funding support:

Overall cost of proposal: *(this section onwards to be completed by programme lead)*

Amount requested:

1. Overview of Proposal

Please summarise each key element of your proposal and the timeframe over which the proposal will be delivered.

2. Strategic Alignment and Impact

Please summarise a) how the programme of work fits into your diocese's strategy; b) how the investment reflects the Church of England's Vision & Strategy; and c) the strategic impact which the proposal will have on your diocese and on the wider Church in line with the funding criteria.

3. Design of Mission plan, and the design of People and Financial Sustainability plans (if applicable)

Describe a) what is the problem that is being addressed? b) what success this proposal will achieve if these problems are overcome? c) what actions are planned in the proposal to address the problem and achieve success? Detailed support material is expected.

4. Assumptions and Risks

Clarify what assumptions have been made and what risks have been identified. Include how these will be mitigated in the above design.

5. Outcomes (target) of funding and how to monitor them**

Outcomes and activities/milestones	Initial Value	Measurement indicators			Means of Verification (collection method + data source)
Outcome #1 (and key activities):	Jan-23	Jan -24	Jan -25	Jan -26	
Indicator 1-A*: e.g., Number of new young people					
Indicator 1-B*:					
Key project activities/milestones					
e.g., Three youth workers recruited					
Outcome #2 (and key activities):	Jan-23	Jan -24	Jan -25	Jan -26	
Indicator 2-A*: e.g., Clergy report increased confidence in growing discipleship within their worshipping community.					
Indicator 2-B*:					
Key project activities/milestones					
e.g., 50% of church congregations undertaken discipleship training and discernment					
Outcome #3 (and key activities):	Jan-23	Jan -24	Jan -25	Jan -26	
Indicator 3-A*:					
Indicator 3-B*:					
Key project activities/milestones					
Outcome #4: Lowest Income Community Funding (complete if received)	Jan-23	Jan -24	Jan -25	Jan -26	
Indicator 5-A*: e.g., Proportion of LInC funding going to 25% most deprived areas					

6. Discernment and learning

Please summarise what discernment and learning informed the missional design and design of people and financial sustainability plan (if applicable).

7. Delivery Confidence

Please summarise a) key plans for diocese’s senior leadership to ensure its own and other capacity to deliver the programme of work successfully (noting track-record and where additional capacity is required); b) how the work will be sustained beyond the funding period; and c) key potential issues and opportunities to be managed, based on stakeholder analysis.

8. Future learning -

Identify what you hope to learn through this funding, identifying key questions to reflect on in check-in calls, annual reviews, and reports:	1
	2

9. Changes to meet conditions of the award, set by the board (where applicable)

Please summarise any changes made from the original proposal, to meet conditions set by the board, in order to release funding.

* There is a menu of recommended indicators under development. This example has been put into the table for illustration only.

** Will be reviewed in 2023 after use with first SMMI cohort