



STRATEGIC INVESTMENT BOARD

# Annual Report 2022

⊕ THE CHURCH OF ENGLAND

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# Foreword

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2022 was another challenging year. Even though life began to return to normal after the upheaval of 2020 and 2021, the effects of the restrictions imposed due to the Covid-19 pandemic continued to be felt across the Church, compounded by the cost of living crisis. In December, the Board made further awards of Sustainability Funding to assist dioceses and, through them, parishes with the impact on their finances.

Despite the challenges, the Board was pleased to see that the majority of projects supported by Strategic Development Funding (SDF) continued to make very good progress. The Board continued to support projects with the impact that the pandemic has had on them by approving extensions in time where needed to enable them to achieve their outcomes.

The Board was greatly encouraged by the quality and ambition of the funding proposals that it received during the year. It made further awards of SDF and of Strategic Transformation Funding and it was also delighted to make awards to an exciting range of Innovation Funding proposals across two funding rounds in 2022. The Board was encouraged to see the generative impact of SDF, with several SDF and Innovation Funding proposals coming forward this year which built on the progress of earlier awards. The Board continued to reach out to all traditions of the Church to help ensure that funding proposals reflected the rich variety of the Church.

The Board warmly welcomed the report of the independent review, chaired by Sir Robert Chote, of the Lowest Income Communities Funding and SDF which was published in March 2022. The key findings of the review and of the Board's response to them are detailed on page 24 of this report.

The Church is now entering an exciting new chapter in its life. The Vision and Strategy for the 2020s envisions a church of missionary disciples, a church where mixed ecology is the norm, and a church that is younger and more diverse. To support the Church in realising the Vision and Strategy, the Archbishops' Council and Church Commissioners are making £390m of funding available

in 2023-25 for strategic mission and ministry investment. The majority of this funding will be overseen by a new Board – the Strategic Mission and Ministry Investment Board – which begins its work in February 2023.

As the Strategic Investment Board comes to the end of its work, I would like to thank everyone who has served on the Board for their expertise and wisdom. I also thank all those who work so tirelessly to deliver the projects that the Board has funded. The map on page 6 of this report shows how the Strategic Development Funding and Lowest Income Communities Funding are supporting the Church's mission and ministry up and down England. The learning from the funding which the Board has awarded will inform the distribution of the new Strategic Mission and Ministry Investment as all parts of the Church work together to realise the Vision and Strategy and bring many more to faith in the living Christ.

One final point. Looking back over the 6-year history of the SIB, we can see how far we have come in the quality, ambition and diversity of the proposals. It will be for the new board to continue monitoring the efficacy of spend in terms of funding already awarded. The SIB has been reminded on several occasions that its impact is not just through these awards themselves but in the cultural and mindset change achieved across our diocesan partners. The SIB has existed, and the SMMIB will exist, to serve all parts of the Church in its critical missional work and this important legacy should assist in ensuring a strong rollout and delivery.

**John Spence**  
**Chair of the Strategic Investment Board**





# Vision & Strategy

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## One vision

The Church of England's calling is to proclaim the Good News of Jesus Christ afresh in each generation to the people of England.

The Vision for the Church in the 2020s is that we become a Church that is centered on Jesus Christ and shaped by Jesus Christ through the five marks of mission.

There are three strategic priorities for the 2020s:

- To become a church of missionary disciples where all God's people are free to live the Christian life, wherever we spend our time Sunday to Saturday.
- 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, cathedrals, schools and chaplaincies.
- To be a church that is younger and more diverse.



*Clifton is a flagship church for children & families ministry in Southwell & Nottingham diocese and part of their 2021 award Growing Younger & More Diverse. Located on the outskirts of Nottingham this is a deprived area where reaching the local community with outreach events linking to faith-based groups is showing encouraging signs of growth.*

\*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, chaplaincy, and online.

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## Six bold outcomes

From the three strategic priorities we have identified six bold outcomes.

### A church for everyone through:

- 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 pathway for everyone into an accessible and contextual expression of church through:

- 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.

### Empowered by:

- All Christians in the Church of England 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.

# Overview of Funding Programmes

The Church Commissioners make funding available to the Archbishops' Council for distribution to support mission and ministry across the Church through joint spending plans agreed between the two bodies. This mission and ministry is funded in partnership between parishes, dioceses and the national Church. Dioceses, parishes and non-diocesan organisations make contributions according to their means to projects supported by Strategic Development Funding, Strategic Transformation Funding and Innovation Funding.

**In some towns and cities the distributed funding has now started a growth trajectory. The progress made provides hope for future change**

**Lowest Income Communities Funding** (LInC) is targeted on dioceses that 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 that could not otherwise afford them.

**Strategic Development Funding** (SDF) supports major change projects that fit with dioceses' strategic plans and that 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.

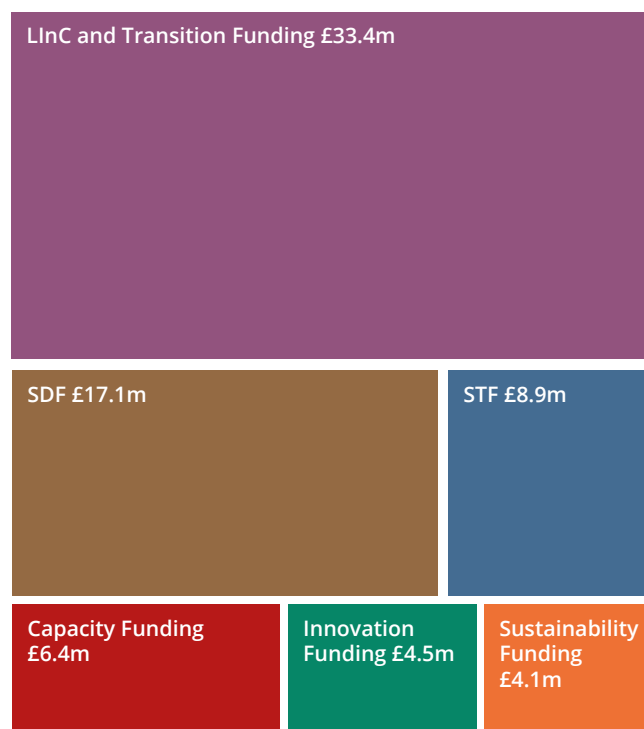
**Sustainability Funding** aims to maintain some short-term financial stability for dioceses during the pandemic, providing a breathing space as they implement or develop their strategies for long-term mission health and financial stability.

**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.

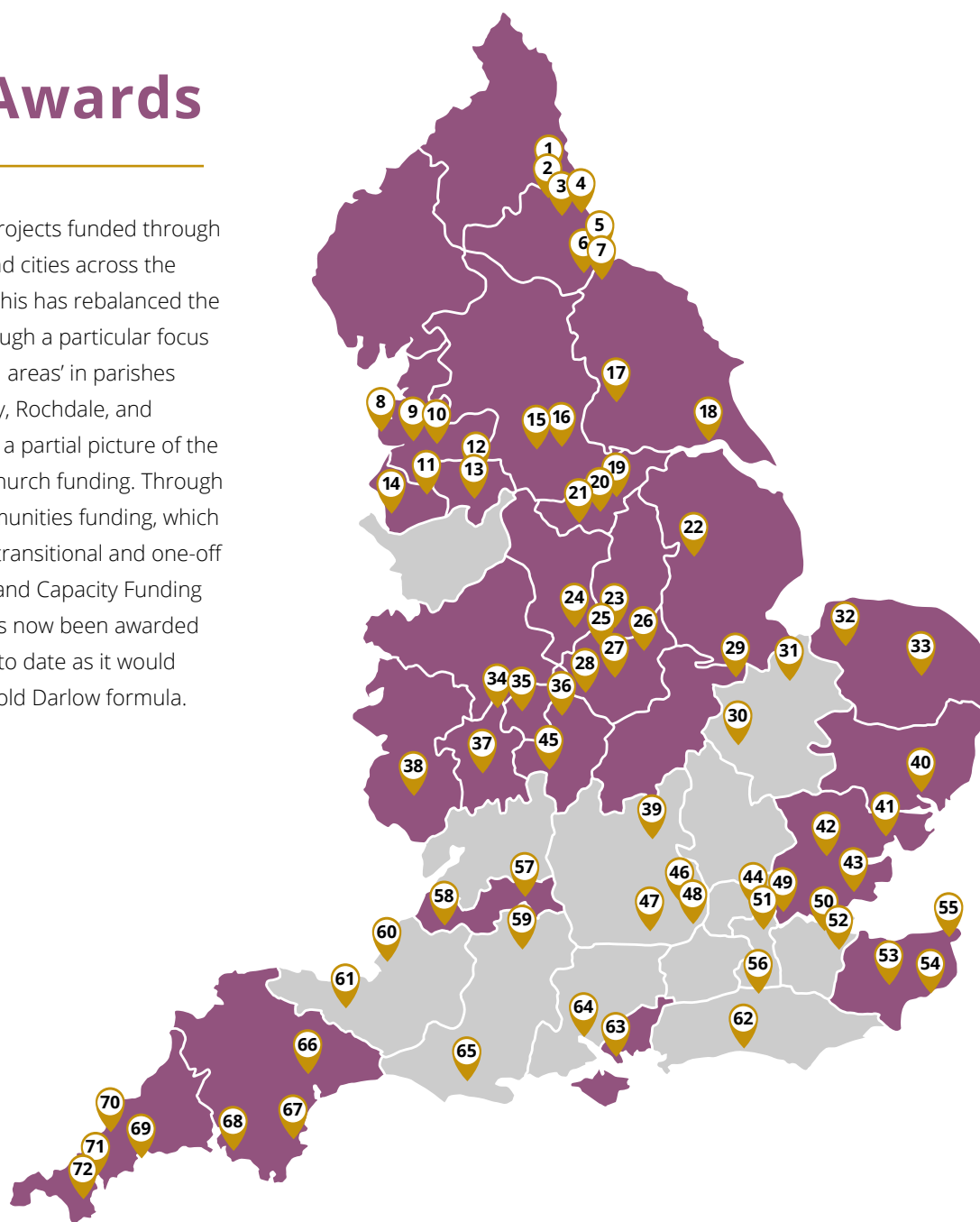
## Total Funding Awarded in 2022



# Map of Awards

The picture of strategic projects funded through SDF 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, Grimsby, Rochdale, and Blackpool. This only gives a partial picture of the distribution of national Church funding. Through the Lowest Income Communities funding, which is shown in purple, (plus transitional and one-off restructuring payments) and Capacity Funding awards, every diocese has now been awarded at least as much funding to date as it would have received under the old Darlow formula.

 LInC



## SDF Projects

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

# Strategic Development Funding

In 2022, £15.2m of Strategic Development Funding (SDF) was awarded to **six** new projects, and £1.9m was awarded to seven existing projects to support additional costs due to Covid and inflation. This brought the total SDF awarded since the funding was first launched in 2014 to a total of £194m to support 93 major change programmes. Of these, 74 projects have been supported in 37 dioceses totalling £179m since the SDF programme was significantly expanded in 2017. Significant results have been seen so far in the overall portfolio of projects, with 70% of projects on track to achieve their outcomes.

Nearly all dioceses have received at least one SDF award and many have received two or more, building a pipeline of projects to support the delivery of their strategy. An example is Southwell and Nottingham diocese which, since 2016, has developed four major programmes supported by SDF, focused on younger leaders, larger churches, growth, and planting.

Informed by data analysis showing the areas and demographics with which the Church has least engagement, the Board focused in the 2020-22 funding period on investing in large urban areas and, within these, on mission to children and young people (46% of funding by end 2022) and in deprived areas (42% of funding). These priorities encompass many areas that contain significant UKME/GMH communities. In June 2021, in response to a recommendation in the report of the Archbishops Anti-Racism Taskforce, *From Lament to Action*, the Board expanded the SDF criteria to explicitly include targeting SDF on UKME/GMH communities.

The Board has placed an explicit emphasis on funding 'good growth', which it has defined as involving 'numerical growth and growth in discipleship and social impact'.



## The Community Shed

*The Community Shed is led by Rev Chris Harwood, a Pioneer Enabler for the Reaching Deeper project in Carlisle diocese, awarded £1.6m of SDF in 2019. The Shed welcomes all, and particularly looks to make welcome those who have been disadvantaged or faced social exclusion due to crime, alcohol addiction, substance abuse, and poor mental health. The Shed provides opportunities for friendship, a supportive non-judgemental community, building confidence in individuals to know their own worth and value others. A place to share life together with spiritual and pastoral support. It is often one of the few places 'Shedders' can find a stable community. Through relationships at the shed they have prayed together, attended/led funerals, supported people into rehab, attended A&E, supported people struggling with suicidal thoughts, supported people whilst in mental health units, and maintained relationships when people have relapsed. Groups include a developing rhythm of prayer, and bi-monthly meals where there is an opportunity to go deeper in conversation and community together. The Community Shed and wider Network is a place where hope, faith, and happiness can be restored in communities they serve.*





St Mark's, Grimsby, was revitalised in 2022 as part of Lincoln diocese's 2018 award Strengthening & Renewing Mission in Urban Areas.

All SDF projects include outcomes for growing new disciples. Before the Covid-19 pandemic, based on data provided to us by dioceses, the growth in the number of new disciples was encouraging and in line with what we expected for that stage of the SDF programme. However, online worship during the pandemic made measurement of growth very difficult. We are now in a build-back period before we can arrive at a reliable understanding of the growth in new disciples both at project and programme level. The Independent Review of Lowest Income Communities Funding and Strategic Development Funding noted that further work needs to be done to ensure effective measurement, highlighting in particular the difficulties of measuring the quality of discipleship and social engagement and the number of new disciples. The Board responded by investing in work to develop an outcomes framework which will be introduced in 2023.

The Board was pleased to see the continuing strong emphasis on growth in discipleship in the proposals which were awarded funding in 2022. For example, in Birmingham diocese, an SDF-supported project includes a pilot with five selected Anglo-Catholic parishes, working with a missionary and a facilitator, to grow new disciples in each parish and pilot new approaches to mission and ministry that could be transferrable to other Anglo-Catholic settings. The project has created a journey of faith pathway. Events and activities such as child baptism, occasional offices, community events, and children's and family events will provide an invitational opportunity into the fuller life of the Church. From this,

steps into discipleship will be through engagement with the Eucharist service, preparation for first communion, confirmation preparation, confirmation, and serving in the life of the church and in the wider parish community.

In Southall/Hounslow, St John's church Southall and Holy Trinity Hounslow will be supported to plant, revitalise and resource 13 parishes across a newly created mission zone focusing on reaching first, second and third generation migrants. An intercultural discipleship course will be developed, focusing on community transformation, justice, and sustainability.

The social impact of projects supported by SDF is very significant and the Board has seen a wide range of different offerings in the projects that it has invested in, including work with ex-offenders to help them to get back into work; support for those battling addictions and mental health problems; food banks; community cafes, some with a focus on specific groups, such as the bereaved; debt counselling; and mentoring support for young unemployed adults. For example, St Mary's church, Pye Hayes in Birmingham diocese has provided its local community with over 600 hot meals and started a baby clothes and equipment bank, alongside its children's and youth work. St Swithin's church in Lincoln has delivered 1,600 food parcels, supported 16 people into employment, and 20 people through the CAP money course. The church has also run a mental health café in partnership with other local churches and the NHS, and launched a drop-in café to meet and host families that the church has supported.



SDF has made a significant investment in people and in developing the pipeline of ordained and lay leaders, supporting substantial numbers of additional ordained and lay ministers, as well as interns and apprentices. For example, in Sheffield diocese's Centenary Project – which seeks to equip the local church to engage, grow, and disciple young people, children, and families – SDF has supported 18 paid interns to work alongside Centenary Project workers. At least two of these have since been recruited as Centenary Project workers and others are considering roles within the Church. In London diocese, SDF has supported the training of 32 current or future planting leaders, 19 of which have already been trained and deployed; with 14 churches being either planted or revitalised, 12 of which are resource churches. In 2022, 13 leaders were still in training and due to be deployed over the next two years.

### Chelmsford diocese's 2020 award Renewing Newham St Martin's

*As part of Chelmsford diocese's 2020 award Renewing Newham St Martin's in East Ham holds Portuguese and Spanish services every Sunday. They held a trilingual Lessons and Carols at Christmas, and celebrated their patronal festival of St Martin's Day in November. It was a powerful manifestation of St Martin's religious, ethnic and linguistic diversity and a public expression of their faith, both in the streets and in church. More than 150 people of different nationalities across the three congregations and other church goers took part in procession and a Mass that ended with traditional music, dance and food.*



# Strategic Development Funding Awards made in 2022

Diocese	Project	Total project cost	Amount awarded
Chichester	<b>The Beauty of Christ for Crawley's New Generation:</b> Building on the success of St John's Crawley which was revitalised in 2017 from St Peter's Brighton, as part of its 2017 SDF project. St John's church is moving to a new town centre site and hopes to grow and connect with unchurched and dechurched people. A leadership development pipeline will train apprentices who reflect all backgrounds and ages, with a minimum of 25% from UKME/GMH backgrounds. St John's will revitalise churches in Three Bridges, Crawley, and West Green, Crawley, and plant into the new housing developments in Forge Wood and Kilnwood Vale.	£3,376,999	<b>£1,620,000</b>
Durham	<b>Transforming Growth in Darlington:</b> The project will invest in St Cuthbert's church, located in Darlington's town centre, to grow a youth-focused centre which will resource youth ministry across the deanery, with outreach focusing on the church's musical heritage. The project will also invest in six locations across the diocese to pilot plants with a variety of models and contexts. This will support the diocese's recently launched 'Cultivate' strategy to develop 100 locally sustainable, low-cost plants in a variety of contexts.	£4,015,636.	<b>£2,537,470</b>
London	<b>Transforming Tower Hamlets:</b> Ordained and lay planting leads will be based at St Paul's Shadwell, Christ Church Spitalfields, and Bow Church, and will go on to plant a total of six new worshipping communities in Bethnal Green, Whitechapel, Shadwell, Stepney Green, Mile End, and Poplar, with a strong focus on young people in a multi-cultural context. An online churches network will signpost to social transformation and discipleship across the deanery. The project will also research into engagement with Bangladeshi groups, leading to at least two pilot projects to engage with these groups.	£5,564,337	<b>£1,788,628</b>
London	<b>Transforming Southall &amp; Hounslow:</b> St John's Southall and Holy Trinity Hounslow will plant, revitalise and resource 13 parishes, focusing on reaching first, second, and third generation migrants, alongside developing youth hubs; a social engagement programme offering employment training for young people; an intercultural mission and discipleship course; and training for young and emerging church planters. The project will aim to encourage and train 15 new foreign language and intercultural congregations serving 500 new disciples and 60 new emerging young leaders from diverse backgrounds.	£5,383,272	<b>£2,727,681</b>



Diocese	Project	Total project cost	Amount awarded
Birmingham	<b>Growing Capacity in Longbridge and through Anglo-Catholic Mission:</b> This project will support the revitalisation of a church in Longbridge by Gas Street Birmingham. The Longbridge church will serve the community, offer gathered worship services, encourage membership of small discipleship groups, and develop leaders, including for further church plants and revitalisations. The project will also invest in a pilot with five selected Anglo-Catholic parishes, working with a missionary and a facilitator, to grow new disciples in each parish and pilot new approaches to mission and ministry that could be transferrable to other Anglo-Catholic settings.	£4,146,311	<b>£2,330,918</b>
Leeds	<b>Mountains into Roads:</b> New Opportunities in the Bradford Episcopal Area: This is an expansion of the work of Fountains Church in Bradford which was awarded SDF in 2018. The diocese aims to grow the church in one of the largest urban populations of deprived, UKME/ GMH communities in the country. As progress on their original grant is faster than expected, they plan to increase their impact: their new aims by 2027 include an additional ten plants and revitalisations, 507 new disciples, 162 lay leaders, 925 new worshippers, and 25 candidates for ordination. These will be spread across: Fountains Church and network, St John's Great Horton, Holy Trinity Idle, St John's Clayton, as well as a new resourcing church: Gillingham, Manningham and Heaton.		<b>£4,207,062</b>





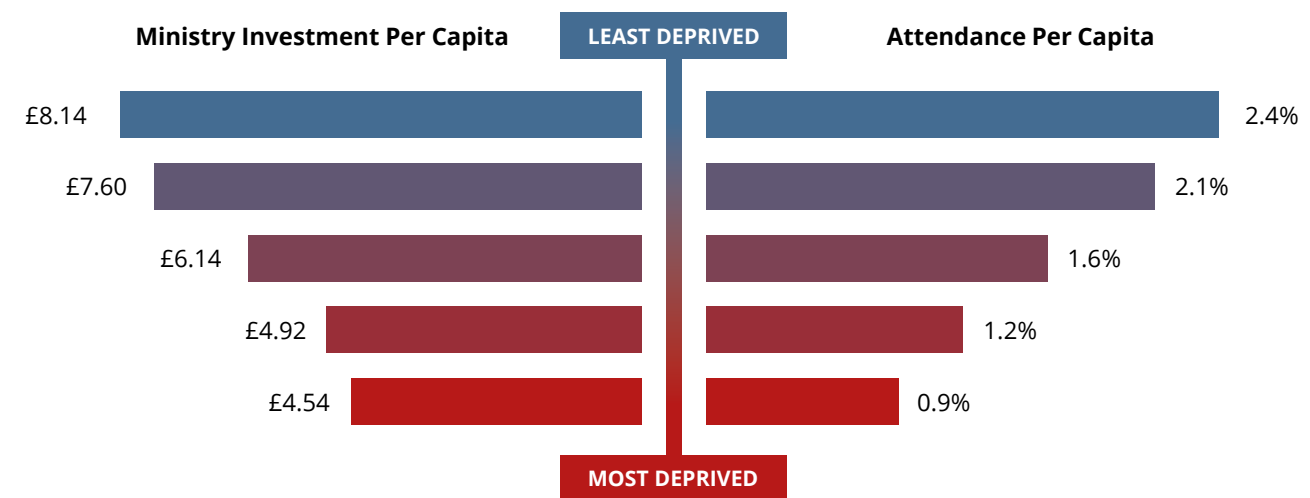
# Lowest Income Communities Funding & Deprived Areas



Lowest Income Communities Funding (LiNC) 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. This funding is the chief way by which the national Church ensures that those in the poorest communities have adequate provision of ministry. It fulfils the historic mandate of the national Church's funds: *i.e. that additional provision should be made for the cure of souls, in parishes where such assistance is most required, in such manner as shall be deemed most conducive to the efficiency of the Established Church.*

The purpose of the Lowest Income Communities Funding is to address imbalances in ministry investment between deprived and wealthier communities. As a reminder, the distribution of ministry investment by deprivation, and the correlation with attendance, is illustrated below.







Chelmsford diocese's 2018 award Growing New Christian Communities

The responsibility for local deployment of ministry lies with dioceses. LInC aims to provide additional funding 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.

LInC is a small amount of funding compared to the overall diocesan economy, so can only function as a catalyst for wider changes. SDF and STF dovetail with the funding, enabling focused investment in change in deprived areas, and transformational change across the diocese.

From 2023, as part of the changes to diocesan funding, LInC funding is being brought into the wider Strategic Mission and Ministry Investment, with the intention to draw it more clearly into a diocese's strategic planning. The overall funding levels will be preserved with the calculated allocation as a baseline for dioceses.

In 2020 and 2021, the LInC funding was given as an up-front payment to dioceses to enhance their liquidity and allow time to understand the impact on diocesan finances of the Covid-19 pandemic and resultant restrictions. Typically, the funds would be distributed monthly. The same arrangement was used in 2022, with the whole year's LInC payments made in January. £28.1m of LInC funding was awarded to 26 dioceses, and £5.3m of transition funding between 17 dioceses.



Freedom Church, Mereside, part of Blackburn diocese's 2017 award Developing Outer Estates Leadership in Blackpool and Blackburn

In the 2022 responses to the LInC survey on the use of the 2021 funds there was greater anxiety about the financial situation faced by dioceses and this may have impacted on the progress made in making LInC more intentional.

From those dioceses that gave data, the amount going to the most deprived 25% of parishes remained at 60%, similar to 61% last year. These dioceses provided a more comprehensive allocation of funding, so that only 14% could not be assigned to a particular parish. However, three dioceses did not provide data at all, so in 2021, £18.9m can be confirmed as going to deprived areas, a decrease of £300,000 since 2020, but an increase of £6.4m since 2017.

Blackburn diocese has developed a successful method of targeting its funding: Deprived parishes are informed of their allocation of LInC and are given the choice of whether to take it as a discount to their parish share or as a direct grant. A small top-slice is also taken for diocesan-wide programmes to help ministry in deprived areas, led by people from deprived communities. Some other dioceses are increasingly linking the funding to their strategy for deprived communities. This has been particularly the case in places with emerging transformation programmes such as Sheffield and Durham.

**2021 LInC usage from dioceses which provided data**

Most Deprived 10% of parishes: <b>31% of funding</b>	Most Deprived 11 - 25% of parishes: <b>31% of funding</b>	Parishes not in the most deprived 25% <b>26% of funding</b>	Insufficient Information <b>14% of funding</b>
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**Diocese of Southwell and Nottingham case study**

*In Southwell & Nottingham LInC has been used to sustain ministry in some of the most deprived parishes in the diocese, including in Clifton Estate, at one time the largest Council Estate in Europe, and Hyson Green, which is home to the largest global majority heritage population in the city. In Clifton, LInC funding has helped support the provision of stipendiary ministry in the parish, with a new Incumbent appointed in early 2020. Despite the challenges of Covid, they have been engaging in many missional outreach activities, including a Light Night event in October, which was attended by over 400 people. The Curate, Revd Esther Hutchinson said, “We really wanted to show the love and light of Jesus to Clifton. We had over 400 people over the evening. It really was just an amazing demonstration of what God can do.” From this, Clifton have been offering movie clubs for families on the estate during the holidays. They provide snacks and show films as a way to provide free entertainment for those who can’t afford trips to the cinema.*

*In Hyson Green LInC funding continues to sustain stipendiary ministry. The church hold services in Urdu twice a year and their music group plays a variety of hymns and worship songs from a range of traditions and in several languages. They have five midweek Bible study groups, two of which are in the Persian language of Farsi. They have become known as the ‘church for Iranians’, growing significantly during the first lockdown when they provided New Testament Bibles to Asylum Seekers and Refugees in hotels. Recently, they dedicated the whole service to worship in Farsi. Over 100 people attended and stayed for lunch. There have been a great number of baptisms, including 15 from Pakistan and Iran. They run an Evangelistic course for people from Muslim backgrounds which has been attended by nearly 40 people.*



# Mission to Children & Young People

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Mission to Children and Young people is a vital part of the Church's ministry, and this is reflected in the Vision & Strategy's priority to become a younger Church. 46% of SDF funding is focused on projects engaging with children, young people and families. 60% of SDF awarded in 2022 was targeted on this work.

In 2022, all of the awards made included a focus on children and young people. For example, as part of Durham's Transforming Growth in Darlington award the diocese plans to develop a musical outreach programme for children and adults throughout the town. This outreach will include working closely with schools, but also include a broader music programme for those in the community. The schools outreach seeks to build new relationships with children and families and to develop choirs in schools which will lead to performances in church, and these will ultimately become a long-term resource for developing new congregations either in schools or at St. Cuthbert's.

A significant proportion of Innovation Funding awards made in 2022 also focused on reaching children and young people. Some examples of these include Bath & Wells' project Movement which gathers together the small handfuls of Christian young people scattered among hundreds of local churches in the Southwest to meet with God in prayer and worship, accompanied by quality Christian teaching. Southwark's Bubble Church was piloted during lockdown to see if they could connect with young families in Balham in a period when parents were lonely and struggling to find things to occupy their families. Families would sit in socially distanced "bubbles", and join in with song, puppets, Bible story, prayer, simple and fun liturgy, with the option to stay on for the Family Service afterwards. The congregation has grown from zero to around 100 in the 18 months since. Through Innovation Funding the diocese is expanding Bubble Church out across five further churches to test its replicability.



*Choristers at Rotherham Minster, supported by Sheffield diocese's 2018 award Strengthening mission and ministry in the deprived areas of Rotherham and Goole.*



Peterborough diocese's 2018 award Generation to Generation aims to reach young people across the diocese. There are seven different mission enablers working in different areas with varied groups of Children, Young People and Families. Pictured is their Intergenerational Summer Holiday Camp 22 where parents were invited to come in to church and join in the activities, and have fun with their kids whilst learning about God together.



## York diocese's 2020 award Mustard Seed:

Cerrie is a Community Minister at Holy Nativity Church in Eastfield, Scarborough. As a local mum Cerrie has felt God calling her to work alongside children and families and she has a real gift of being a bridge between the church and the community. Cerrie has always been involved in children and family work but is now able to have paid work to do the job that she feels God is calling her to do and be supported by training. The community know her as a local lass, they've seen her around, she's a friend to many and has worked on the estate in different contexts. People know that she goes to church and it's safe and it's a good place. Cerrie has been working with the children at Kids Club on Sundays at church for some time and she has been able to bring fresh energy and vision to the group, which has grown in recent months from a handful of children to 17 children of all ages. Prayers and songs provide a link with faith and church, and ongoing relationships with families who come to church for baptisms. Praying Parents is a new initiative, a safe space for parents and carers who are concerned for their children and families to join with Cerrie to pray and support each other. Through the programme Cerrie has grown in faith and confidence, and is saying 'Yes Lord, here I am; use me as you will.' She is excited for the future and open to how God will be at work amongst the community of Eastfield.



Rotherham



Leeds' diocese's 2021 award Reaching Generation Next supports the Church at Hyde Park Corner to reach students in Leeds

# Mission amongst GMH/UKME Communities

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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. Since this, we have seen an increased focus on those areas with high populations of UKME/GMH communities, including two projects in London focusing on the Bangladeshi community in Tower Hamlets, and on reaching first, second, and third generation migrants in Southall/ Hounslow.

The existing criteria of SDF already prioritised large urban areas and, within that, either deprived communities or young people, or both. These encompassed many areas that contain significant UKME/GMH communities. As such, several older SDF awards focus on UKME/ GMH populations, including Leicester's Intercultural Worshipping Communities, Chelmsford's Renewing Newham Project, and Oxford's Growing New Congregations project which includes forming an intercultural worshipping community at St Paul's Slough.

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. Chichester's 2022 award "The Beauty of Christ for Crawley's New Generation" is focused on raising up leaders from diverse backgrounds in Crawley, through their leadership development pipeline, where they plan that 25% of those trained will be from a GMH/UKME background.

Other funding streams are also focusing on supporting mission within UKME/ GMH Groups and supporting new leaders. Innovation Funding was awarded in 2022 to IMPRINT Church, which hopes to raise up culturally-equipped and theologically-informed young adults, through showcase productions in London and nationally and hosting training for other churches to engage with young adults from diverse ethnic backgrounds creatively. They are also establishing a year-long internship programme for apprentice leaders in Central London

(in partnership with the New Wine Discipleship Year programme) to build a pathway for young leaders into the Peter Stream and other ordination training.

Innovation Funding was also awarded to the Peter Stream which seeks to redress underrepresentation in ordained leadership in the Church of England – ethnic, social, and educational. It is open to candidates who have faced exclusion for these reasons and more. The focus is on supporting candidates on their vocational journey, helping them in the discernment process while encouraging their desire to grow in faith. This award will support the Peter Stream to expand beyond London to the East Midlands, working with Southwell & Nottingham, Leicester, and Derby dioceses.





# Strategic Transformation Funding

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During 2022, the Strategic Transformation Funding (STF) programme made two further awards of STF. Four dioceses in total have now been awarded STF.

St Edmundsbury & Ipswich received an award of £1.27m, towards total project costs of £2.57m. The diocese aims to deliver change in all its contexts through prayerful discernment, enabling the Church's mission and ministry in St Edmundsbury and Ipswich to be outward-facing, approachable, and accessible, evangelising, engaging new people, and bringing them to faith.

**The main strands of the transformation strategy to achieve this vision are:**

- **Across all contexts:** putting missional leaders in place; creating missional groups for evangelism, discipleship and social action; developing local leaders; and planting and revitalising new congregations/missional initiatives.
- **In large towns:** church plants and fresh expressions of church are encouraged as the norm, there is an active ministry to children and young people, and churches work in partnership to address social issues.

- **In market towns:** the town's church has a strong civic presence, visibly serves the community, and resources smaller congregations.
- **In rural contexts:** at least one thriving congregation in each benefice, plus mini-communities of worship, prayer, and service; church buildings used creatively.

The Diocese of Liverpool has been awarded £7.5m in two tranches for their Fit for Mission strategy, the first tranche of £3.4m has been released, and the second tranche of £4.2m will be released after a successful pilot of the work around Larger Single Parishes. Fit For Mission is built around four mission priorities: introducing people to Jesus, deepening discipleship, developing leaders, and working for justice.

## Capacity Funding

Capacity Funding is drawn from the £44m available for STF: 17 awards, totalling £6.4m were made in 2022. All dioceses are eligible to apply for funding to strengthen their strategic capacity, and in the 2020-22 triennium 28 dioceses and three non-diocesan organisations received funding.



*Lightwave, part of St Edmundsbury & Ipswich's 2018 award, Growing God in the Countryside, is being expanded through the diocese's 2022 award of Strategic Transformation Funding.*

# Innovation Funding

In 2021 the Board announced the launch of Innovation Funding for the 2020-22 triennium. The £4.8m fund supports limited-scale projects that will innovate in the light of the Vision and Strategy and generate learning about 'good growth': i.e. growth that 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.

Innovation Funding aims to help find creative approaches to challenges facing the Church of England and supports innovation that is focused on at least one of the following underrepresented groups as we aim to be a church that fully represents the communities we serve in age and diversity: younger people and children; lower income communities; UKME/GMH populations; and urban areas.

**In 2022 the Board was pleased to award £4.2m to the following 18 projects:**



Diocese/ Organisation	Project Name	Innovation Award
Birmingham diocese	Safe Spaces for Young People: Supporting churches to connect with young people who live in some of the most disadvantaged neighbourhoods of the diocese.	<b>£239,775</b>
Blackburn diocese	Choir Church: Building a partnership with Choir Church to plant 25 new congregations in schools across the diocese.	<b>£249,531</b>
Bristol diocese	Swindon New Town: Seeking good growth in a traditional Catholic context by responding to social need with an intentional approach to discipleship.	<b>£249,690</b>
London diocese	Youth Ministry in Communion: Establishing a hub of collaborative youth ministry rooted in the sacramental tradition.	<b>£250,000</b>
Royal School of Church Music	Hymnpact! Developing a school to church pathway, using Hymnpact! materials to support discipleship both individually and corporately.	<b>£230,000</b>
Southwark diocese	Bubble Church: Investing in Bubble Church (developed by Ascension Church, Balham), so that it may be launched, nurtured, and grow nationally.	<b>£250,000</b>
St Hild College	Seedbed: A new training programme for lay church planters and lay evangelists.	<b>£223,666</b>
Bath & Wells diocese	Movement: Gathering Christian young people scattered among rural churches and training local youth leaders to share their faith with unchurched young people.	<b>£248,289</b>

Diocese/ Organisation	Project Name	Innovation Award
Church Mission Society	Pioneering Parishes: Equipping parish leadership teams to make pioneering integral to parish life and sustain a mixed ecology of church.	<b>£247,059</b>
Jesus Shaped People	Innovation Project: Equipping churches in deprived parishes to bring about growth in discipleship, discover new vision, reshape mission strategy, build lay confidence, bring people in from the margins, enabling growth.	<b>£249,810</b>
KICK	KICK Innovation Project: Transforming young people's lives, with God's love, through sport and support.	<b>£104,200</b>
Lichfield diocese	St Chad & St Mark Wolverhampton: Bringing diverse, multiple ethnic communities together in shared worship and mission, ensuring growth in discipleship that will help nurture new leaders.	<b>£175,000</b>
London diocese	IMPRINT: Aiming to culturally equip and theologically inform young adult leaders from diverse backgrounds and demonstrate innovative ways to catalyse church planting.	<b>£250,000</b>
New Wine	Raising Generation Minsters: A minster church from within the New Wine network who will then seek to help, support, and develop smaller local churches to pioneer and establish a new children's and youth ministry of their own.	<b>£250,000</b>
St Albans diocese	Alban Way: Developing young leaders through spiritual formation in order to develop spiritually healthy, resilient, and holistic leaders.	<b>£249,035</b>
St Mellitus	The Peter Stream: Pioneering the Peter Stream into a new regional hub based at SMC East Midland.	<b>£249,836</b>
Weston Church CIO	Weston Church Youth Project: Establishing a church plant reaching, and eventually led by young people living in a disadvantaged neighbourhood.	<b>£250,000</b>
Winchester diocese	The Pillar: A church-led mental health project for young people 11-18 years of age.	<b>£249,992</b>

In addition to these, the Board awarded £375,000 to the Estates Evangelism Task Group to run a series of events or 'Innovation Challenges,' bringing together practitioners to identify potential innovative ideas to be further developed into projects that meet the funding's key criteria.



# Sustainability Funding

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As part of a package of measures to support dioceses and, through them, parishes, during the Covid-19 pandemic, 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

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 in 2020 and awarded a further £9.5m in 2021 with 30 dioceses receiving awards across the two years.

As anticipated in 2021 the impact of Covid-19 on dioceses' finances continued into 2022 and it is also becoming clearer that, as well as having an immediate impact on diocesan finances, the pandemic has seen the acceleration of longer-term trends. The Board therefore agreed to continue distributing the remaining Sustainability Funding in 2022 with these longer-term challenges in mind.

The Council and Commissioners agreed to vire £5m of the £10.6m unallocated Sustainability Funding to a £15m funding programme for dioceses to support parishes with the rising cost of energy, leaving £5.6m Sustainability Funding available for award in 2022.

In 2022 the funding continued to be targeted on dioceses with fewer investment assets and less-affluent populations. In making its decisions on funding applications, the Board took account of the steps 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 £4.1m to 12 dioceses in 2022.



*A Christingle service at St John's Goole, supported by Sheffield diocese's 2018 award Strengthening mission and ministry in the deprived areas of Rotherham and Goole.*

# Learning, Evaluation & Monitoring

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| Messy Church, taking place at All Saints' Hove as part of Chichester diocese's 2021 award Revitalising the Church in Brighton & Hove

In some towns and cities, the distributed funding has now started a growth trajectory. Following investment of SDF into Derby, Portsmouth and Crawley, church attendance is increasing in these places. Further investment will be needed to underpin and grow further, but the progress made provides hope for future change.

Through distribution of funding, the SIB has also seen the importance of **generative** impact. Investing in churches that will multiply in future, and in the growth of new disciples and leaders, will mean that fruit is seen for many years. This can be a slow process, for example:

In 2022 Innovation Funding was awarded to **The Pillar**, pioneering an approach to supporting mental health and mission among children and young people.

The leader and driving force behind that application is a mental health nurse who became a Christian and was inspired to help others through the work of **St Winifred's Totton**, part of Winchester's 2020 SDF application.

St Winifred's itself was a church plant from **St Mary's Southampton**, part of Winchester's 2017 SDF application.

And the leaders of the respective churches have benefited from investment in the **pipeline of church leaders** that the SIB made in 2017.

Further, the diocese of Winchester has only had the capability to deliver these new churches through investment that the Board made in its **strategic capacity**, such as funding a programme manager in 2017.

This is one example of many different branches that come from investing in generative approaches over a sustained time frame.



# Developments in Sharing Learning

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An emerging theme, and one which was highlighted in the Independent Review, is that more needs to be done to collect and disseminate learning to make the most of it to impact the Church. The Vision & Strategy team is taking steps to develop this further.

The **learning and outcome framework**, commissioned by the Board and developed by staff and Eido Research, will provide information on the critical missional challenges that church leaders face and how they access learning. This will prioritise the work of the Vision and Strategy Team.

2023 will see an increased number of end-of-project **evaluations**, as earlier awards come to an end, giving a critical mass for the generation of learning.

Learning has been built into the process for the new funding programme, with an early learning conversation for those developing proposals.

It is hoped that in 2023, progress will be made on some of the areas where less learning is available so far, such as further developing the understanding of how churches can develop their work with children and young people, how culture change is achieved in the Church, what can be done to help 'just about managing' churches take steps in mission, approaches to enhance discipleship, and the inter-relation of evangelism and social transformation.

Some specific lessons have been found through evaluations, research and experience that apply to specific contexts.

## Bath and Wells

*Part of Bath and Wells diocese's 2017 award Pioneer Project, Forest Church is an emerging new Christian community in Bournville Estate, Weston-Super-Mare. It grew out of the popularity of nature-based activities run by Nicky and the Beautiful Bournville team at the allotment during lockdown. Forest Church aims to help people connect with the awe, beauty, and wonder of God in and through creation, taking their themes directly from what is happening in nature and the seasons every fortnight, then linking this with a Bible verse/story. They have nature-based crafts and activities relating to the theme each week suitable for all ages, a short talk, sing some songs around the fire and say a short prayer at the end. Around 20-30 people from the local community attend, the vast majority of whom are unchurched.*

*As part of Carlisle's 2016 award Reaching Deeper, an outdoor and education pioneer leads outdoor mountain pilgrim groups.*





# Independent Review

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The Independent Review of LInC and SDF was commissioned by the Board in 2021 and published in March 2022, and is available in full on the [Church of England website](#).

It was chaired by Sir Robert Chote, an economist and former journalist; Chair of the Northern Ireland Fiscal Council. The rest of the panel comprised Bishop Sarah Clark, Bishop of Jarrow; Stephen Smith, former Executive Director of the National Audit Office; and Busola Sodeinde, Church Commissioner (on its Audit & Risk Committee) and General Synod member. The key findings of the Review are summarised below:

The Review found that Lowest Income Communities Funding (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 of stipendiary clergy without that support. The Review recommended that the primary role of LInC should continue to be in supporting and sustaining ministry in deprived communities and that 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, with dioceses explaining the distribution and use of LInC funding clearly, including reporting on missional effectiveness.

The Review noted that SDF is manifested in parishes revitalised, the creation of new worshipping communities, and additional ordained and lay posts, with 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 promising ideas up, 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 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. The Review recommended that as well as these policy changes, there should be enhanced transparency and communication.

The Review observed that the funding streams are too small by themselves to achieve Church-wide change. Making the most of any lessons learned is therefore critical. They noted that work had been undertaken by the national Church to share the lessons learned by the programmes, but that this should be enhanced and shared more widely.

They concluded that the Vision and Strategy offers an opportunity to try to establish renewed unity of purpose around the schemes and more broadly. The review recommended that the funding streams should align with the Vision and Strategy, and that the funds should retain their intentionality and additionality to existing work. This should include moving to a more integrated strategic approach with dioceses.

The Review report was debated at General Synod in July. The Board has welcomed each of the recommendations and has had conversations on the themes of church culture; outcome and learning collection; and transparency and communication. Many of the recommendations have been taken into account in the design of the Strategic Mission and Ministry Investment programme, including the building of trust and partnership between dioceses and the national Church. The funding programme and the processes undertaken at the new Strategic Mission and Ministry Investment Board will also be more transparent. The Board has also commissioned an outcome and learning framework to pick up many of the points around gathering common outcomes and sharing learning.

# New Funding Programme

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In 2023-25, the Archbishops' Council and Church Commissioners are making £390m available for strategic mission and ministry investment. Of this, around £340m – including £100m for Lowest Income Communities Funding – will be available for the Diocesan Investment Programme to enable the Church's Vision and Strategy to become a reality in local churches and communities, prioritising investment in the most deprived and resource-poor contexts. This funding will enable dioceses to develop new areas of mission, revitalise ministry and scale up missional approaches that are proving effective.

The Lowest Income Communities Funding will underpin mission in deprived contexts. This funding will continue to be distributed by formula.

Around £13m of People and Partnerships Funding will be available to invest in developing the pipelines of people needed for front-line ministry and working with a range of partners to support and learn how the local Church can overcome key missional challenges.

The distribution of the new funding programmes will take into account the learning from the Independent Review of the Lowest Income Communities Funding and the Strategic Development Funding.

A new Board – the Strategic Mission and Ministry Investment Board – will distribute and monitor the progress and impact of the Diocesan Investment Programme and the People and Partnerships Funding. The new Board will also take on responsibility for tracking the effective delivery and impact of existing mission projects across the country previously awarded funding by the Strategic Investment Board.

## Conclusion

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Since its inception in 2017, the Board has sought to invest in strategic projects in key areas and demographics with which the Church currently has little engagement. The majority of dioceses have developed a pipeline of Strategic Development Funding projects and much fruit has already been seen. Alongside SDF, the Board has invested in several diocesan-wide transformation projects through the Strategic Transformation Funding as well as in an exciting range of small projects through the Innovation Funding. The new Strategic Mission and Ministry Investment programme will build on all of this and further develop it to support dioceses and parishes in bringing the Good News of Jesus Christ to communities up and down England.

### List of SIB members

John Spence (Chair)  
Matthew Frost  
James Harrison  
Bishop of Manchester  
Katherine McPherson  
Deborah Rowland  
Mark Sheard  
Alan Smith  
Nigel Timmins

