

leading into growth



Liverpool Diocesan Board of Finance
Annual Review 2009



If as a Diocese we are to work together towards our vision of a “sustainable, led and transforming Christian presence in every community” then much hangs on the issue of leadership – how we are led by God and by others; how we can develop and grow new leaders; how we can all be leaders in mission and in our community.

As we face the challenges of the future we become more aware of the need to identify, develop, empower and sustain leaders in mission and ministry. Leaders who are prepared to walk with God and serve their community; people who are prepared to understand the bad news of people’s lives and who can then find constructive ways of shining the Good News into these dark corners. This is not simply about ordained or licensed ministry but is about the leadership offered by many in our parish and fresh-expression churches.

Jesus called twelve ordinary people into an extraordinary ministry with him. Transforming their lives he made them into disciples praying with them that God’s will be done here on earth just as it is in heaven. He effectively trained them on the job, sending them out and helping their growing understanding. Then, when the time came, he commissioned them to do his work, empowered and enabled by God’s Spirit. He asks the same of us and gives us the same resources.



In the Diocese of Liverpool we are blessed with a huge number of talented leaders. The Clergy Conference in July showed me how focused our clergy are on the mission of God. We are blessed with a vast array of Readers with ministries in church, in the community, in the workplace and beyond. When I met Church Wardens during the summer I was hugely encouraged by the dedicated support they bring to the

day to day work of our churches. And I am continually thankful to God for the hours of dedicated service given by so many in our congregations.

2009 saw significant changes in the leadership of the Diocese as we said goodbye to Bishop David and welcomed Bishop Richard. We have been tremendously blessed and marvellously served by Bishop David. The seamless transition from Bishop David to Bishop Richard is a compliment to them both. We are extremely fortunate to have Bishop Richard with his experience in mission.

No less significant was the retirement of David Tomkins as Chair of the Board of Finance. David was a significant driving force in the diocese and showed great gifts in helping us unlock money and other resources for mission. I look forward to working with his successor David Greensmith as we continue to grapple with the challenge of shaping and financing our mission and ministry.

This report shows how we continue to work for the mission of God within the Diocese of Liverpool. It shows how our creative leaders continue to work towards the vision of a sustainable Christian presence.

I am privileged as Bishop of Liverpool – privileged to work in a creative diocese with talented leaders and inspirational people. I thank God that we are blessed with such talent and pray for all those already called by God to be leaders in our church and for those yet to hear that call. Together we can and I believe will achieve great things in the name of God who calls, sustains and equips us all.

And we must pray that as God has provided in the past so he will provide for the future by raising up new leaders, lay and ordained, to build up the Church of tomorrow and usher in God's Kingdom. Please – pray and pray and pray.

+James

Bishop of Liverpool – June 2010

Famleigh First, a 'Fresh Expression' of church



Mission and growth continues to be our highest priority as we work for a third year under the framework of our strategy *Responding to the Call*. We have developed a national reputation for the creative and strategic way we have engaged with the General Synod report *Mission Shaped Church* and continue to blend the inherited with the newer forms of church.

Our use of the Lake and River imagery continues to describe our approach. The lake, a metaphor for the

parish church, provides life for all around. The river gives an image of the fresh expression networks that reach out into new communities. As lakes and rivers flow in and out of each other we believe that we can greater strength through differently shaped churches emerging from and reinforcing each other.

In November Bishop James

challenged us all to look seriously at growth. Devoting his Presidential Address to the subject he argued that growth is necessary so that more people can experience God's love; because more work is being done by fewer people, we need greater capacity to share the work; and that we need numbers for mission. The more people we have in our churches the greater the numbers to share God's love.

The Bishops challenged PCCs and DCCs to ask three questions:-

- 1) How are we serving our community?
- 1) How can we kindle our love for God and our love for our neighbours?
- 1) How can we grow numerically?

The importance of this was reinforced by church attendance figures which saw another drop, by 3%, in average adult weekly attendance. Other signs were more encouraging. Child weekly attendance rose by 5% and there were other indicators that the level

of decline is bottoming out. Statistics are always difficult to interpret but they remind us of the need to lead our churches into mission and growth.

We remain strong in the belief and understanding that it is through local leadership that the Diocesan vision will work and remain encouraged by the way that everyone has engaged with this important document. Deanery mission plans are informing the way we organize our structures locally and how the Bishop's Core group and St James House staff can work creatively to support them.

We continue to develop different tools for different contexts as part of the support we can offer for mission and growth. Back to Church Sunday continues as a great encouragement with many churches in the Diocese joining the national initiative. A number of parishes have conducted the *Mission Shaped Introduction Course* enabling them to identify how different forms of church can connect with people who are not yet members of any church.

The third diocesan resource church was licensed last year. St Mary's Grassendale became a resource church for children's work. As a church with thriving activities for young people and one of the first in the Diocese to embrace Messy Church it has plenty to offer others to support the growth of children's ministry.

A sustainable Christian presence has to be centred on mission. The Board of Finance remains committed to providing the resource to enable this process to be successful.





Mission Shaped Introduction

Nearly fifty people took part in a Mission Shaped Introduction (MSI) course at St Faith's and St Mary's, Crosby. The course had the aim of exploring fresh expressions of the Church in a changing culture. It also identified three strands that needed to develop alongside these new expressions - prayer and support, listening to God and connection.

Fr. Neil Kelley, Vicar, says that the course was about regrouping and reflecting, thinking about how the church is placed within its local community and how new expressions of the church can benefit people who are not yet members of any church.

"The MSI Course was a departure from the usual Bible study or Lent discussion groups, and people soon realised they were learning an awful lot. St. Faith's and St. Mary's has some long established links with the church in Sierra Leone and Malawi, but linking up to people close to home is something of a new challenge.

"It is encouraging to see the new and fresh expressions that are emerging, without having to ditch the old. This course really is a gift to the Church."

Archbishop John Sentamu visiting St Elphin's School, Warrington



As a diocese we are concerned that children and young people are given the opportunity to experience and encounter God. We work to develop the best in education, children's and youth ministry.

With 118 church schools in the Diocese we continue to place a strong emphasis on the need for excellent church schools. The Board of Education and the partnership with DBE Services Ltd give our school governors and headteachers the support they need to successfully lead their schools. Critical to this is the need to make strong appointments at senior levels.

The important factor in church schools is the distinctiveness they offer in terms of the promotion of Christian values. Our ethos helps improve both behavioural and education standards and achievements. The ongoing development of the Church and School Partnership Award underlines how important this is and we welcome the increasing numbers of schools and churches that are participating in this initiative.

The school leavers' services in June offer an opportunity to celebrate the achievements of our primary schools as Year 6 pupils prepare to move on to secondary education. The introduction of transition workshops on the day of those services show the high level of pastoral care we have for our pupils.

Our reputation for high quality education remains strong. With just under 30,000 children in Church of England schools we have a genuine opportunity to make a positive impact on young people's lives.

But that impact goes beyond the classroom. We work strenuously to make sure that children and young people are nurtured appropriately and safely. Our Child Friendly Church award continues to grow, both within the Diocese and on a national and international scale. We continue to explore ways to engage with young people, providing resources for special services and developing our engagement with Messy Church.

We have also concentrated a great

deal of resource to make sure our workers and leaders are clear on the vital area of safeguarding.

We developed our methods of working with teenagers through a pioneer network led by its own minister. The attempt to offer a strategic approach gives us an opportunity to reach out to young people in a more focused way offering them something attractive that they will want to come to.



the Unit

We all say that children and young people are both the church of the present as well as the future. We also notice how few there are in our church. In response, we have put into practice a compelling new vision in order to reach out to our young people. Frank Hinds, Pioneer Minister for Young People, led the first Youth Church Cluster Service - nicknamed The Unit by the young people involved - to bring together youth churches from all over Wigan and St Helens.

The Unit is an interdenominational collaboration run by young people and youth leaders, involving games, worship led by a youth band, talks, prayer ministry, and time to mix and meet new people. The first meeting was a huge success and it is hoped that the programme will be rolled out to the rest of the diocese in the coming months, creating a network of young people eager to carry out God's mission as one. The Unit is also using technology to further advance the kingdom amongst young people in the diocese, creating networks through online resources such as Facebook, Myspace, Bebo and Twitter, making it even easier to get involved.

The voice of the church in society is still an important one and the church is called to take a lead in matters that affect all. In many ways both large and small we have a responsibility to offer leadership so that society is shaped and changed for the better.

Bishop James has offered a strong voice in the attempt to create a society that is less consumerist and more respectful of God's creation. His promotion of the Carbon Fast during lent and articulation of an environmental theology offered a lead towards a sustainable society.

The practical support we offer to a range of institutions shows how we can engage with society in a way that enables us to encounter people in a wide range of vulnerabilities and needs.

With 20 full time and 20 part time and volunteer chaplains we can support those in prison, hospital, university and retail environments. We continue

to support Mission in the Economy, an ecumenical partnership which works in the retail sector across the Diocese.

In a radical piece of thinking we appointed two new chaplains at Liverpool John Moores University and Liverpool University. One is leading chaplaincy services to the staff and universities as institutions while the other supports work amongst the students. This enables us to concentrate our resources.

Our leadership of and involvement in ecumenical and faith partnerships, such as the Merseyside Council of Faiths, continues to be important to us. We also value the role we can play in engaging with secular organizations. Our civic link partnerships across the Diocese where clergy play an active role in local initiatives such as Borough Strategic Partnerships have enabled us to provide a moral leadership in local politics. Our role as an important part of the voluntary sector shows as we have churches



and congregations providing a volunteer workforce to support charitable projects in their local area.

The Bishop's role in the House of Lords and work with a range of local and national organizations show the continuing importance of the church in society – an importance we are looking to maintain and extend.

Solar Panels at Bishops Lodge

As the church becomes increasingly vocal about the need to preserve God's Creation it is important that we take a lead by taking practical action. With this in mind, Bishop's Lodge has become the first Bishop's House in the UK to meet its hot water needs using solar power.

The installation of this technology was made possible through the efforts of Merseyside Fire and

Rescue Services technology partner, Telent. They worked with specialist manufacturer and supplier Romasol Sustainable Technologies who installed a high performance solar hot water system, which is expected to pay for itself within five years.

Providing Bishop's Lodge with solar technology was a recognition of the community work the Bishop does with Merseyside Fire and Rescue Services. For Bishop James, a well respected environmental campaigner and commentator, this was a demonstration of how individuals can make changes in their own lifestyle choices which can have an impact on reducing global warming. But it does not need to be so extensive. Taking part in the carbon fast, recycling and conserving waste are all ways in which we can help on a local level. Bishop James said "it is important we all find ways to contribute to reducing the burden on the global environment and these panels will certainly help reduce the carbon footprint of Bishop's Lodge."





We need to continue to recruit and develop leaders for today and tomorrow as we maximise our resources to take our mission forward.

The Bishop's Core Group continues to work with deaneries to respond positively and creatively to the current national decline in clergy numbers by appointing lay and stipendiary posts that reflect the emerging needs of a deanery. We continue to look for ways to develop

local leadership and to support and encourage those who are discerning a call to leadership in whatever form.

The Learning for Mission and Ministry course has its third intake to become a full course training Clergy and Readers across three Dioceses in the North West. With tutors and students coming from Liverpool Diocese and the Cathedral continuing in its role as a centre for theological learning the Diocese plays a strong role in the development of licensed ministry.



Leadership development is a continuous process. Our Post Initial Ministerial Education supports Clergy and Readers in their ongoing and ever-changing leadership roles. Those Clergy who move to new posts in the Diocese are offered the Fresh Start course which supports them and their congregations through this period of change. We continue to evolve the Ministerial Development Review and work to prepare for Common Tenure and the new clergy terms of service.

We want our clergy to have access to leading edge thinking and practice. Our School of Leadership remains a popular way to achieve this as we continue

to develop supportive networks of leaders concerned with developing their ongoing ministries.

Supporting leaders, particularly with the continuing pressures they face, will be a critical ongoing challenge. Our annual clergy questionnaire showed that 97% of clergy say they enjoy their ministry in the diocese but there are issues of stress caused by the pressures of leadership – we continue to work on the support systems that clergy need.

But learning goes beyond those in licensed ministry and leadership is not confined to those in official capacities. The Board of Finance remains committed to developing all forms of lay leadership and models of shared ministry. This year we started to develop ways of encouraging new forms of ministry and new leaders through tools such as the Shared Ministry Mark and the Bishops' Certificates which will be introduced in 2010.

The Bishop of Warrington is an important figure within the leadership team of the diocese sharing the Episcopal lead with the Bishop of Liverpool. In November the Archbishop of York consecrated Richard Blackburn as the new Bishop of Warrington and we welcomed him to the Diocese.

Born in Denmark and spending his early years in Yorkshire, Richard served in a variety of ministries before being appointed Archdeacon of Sheffield and Rotherham in 1999. He served on General Synod for five years from 2000.

He was a Residentiary Canon of Sheffield Cathedral until 2005 when he was elected Chair of the Churches Regional Commission for Yorkshire and the Humber. He has also been Vice Chairman of the Church of England Pensions Board.

Speaking before his consecration Bishop Richard said: “My first priority will be to meet people across the Diocese and to listen to what they have to say. I expect to hear of

the challenges and opportunities of living in a Diocese with its rich and diverse mix of parishes and communities. I know that the Diocese has a high proportion of socially and economically deprived parishes but I am excited by the commitment of our clergy and congregations in these areas. I know God’s spirit is alive and working to deliver healthy churches in healthy communities.

A Bishop is required at his Consecration to care for the poor and needy. Jesus was particularly concerned for those who were on the margins of society. I intend to do my best to support those living and ministering in designated priority areas.”



Bishop Richard's consecration at York Minster



Good leaders need good resources. With an increasingly difficult financial situation the ability to effectively resource ministry is increasingly challenging.

Our Parish Share is central to that support. The money we receive from parishes enables us to finance the lay and ordained posts across the diocese. Parish Share remains encouragingly high and we exceeded a 98.5% collection rate by the end of August, a tribute to the commitment to mutual support of parishes.

But there is increasing pressure on Parish Share collection. It is becoming a higher percentage of regular giving by church members which creates difficulties for local mission initiatives and charitable giving.

We continue to support and encourage the use of our online stewardship resource Giving in Grace. We believe that through this successful programme which combines discipleship with

stewardship we enable parishes to truly appreciate the value of planned giving.

Our approach to giving extended to offering support to individuals and communities affected by the recession and looking for ways to avoid and manage what could be a crippling debt crisis.

We also look to taking a lead in the more challenging areas of the Diocese, places which have often been abandoned by other professions and agencies. We are evolving our work in Designated Priority Areas to a comprehensive policy to support Areas of Multiple Deprivation.

But when we are looking at resources tough leadership decisions need to be made. These often involve our buildings. We continue to balance the strong considerations as preservers of the nation's heritage and the cost of preserving failing and inadequate buildings. We take strenuous efforts to preserve those buildings of true architectural merit and that have the status and funding potential to warrant it. And we try to achieve creative solutions to the multiple buildings problems that we have.



We aim to provide the highest levels of support for mission in our parishes and deaneries. Staff at St James' House are focused on the work we do to support bishops, parishes, schools and others in their work.

We were again encouraged by the clergy questionnaire and the high level of approval for the services provided. The Senior Management Team monitor the results closely as it gives a clear idea what clergy and parishes need. It also builds a picture of the strengths and weaknesses of the service provided by St James' House staff.

It also shows how effective we are in supporting the aims of Responding to the Call. Previous questionnaires revealed a high level of support for the aims and vision set out in Responding to the Call but highlighted a lack of awareness for how individually people fit into the delivery of that strategy. That is changing. The work of St James' House staff will clearly focus on how

we help others deliver that strategy.

The way we organize the teams at St James' House continues to be reviewed as we manage our resources in light of the economic situation and as a result of key staff changes. Increasingly our aim has been develop a culture of working together to deliver the support that parishes say they need.

We remain determined to provide high quality advice, communicate in a modern and efficient manner, offer training and develop services that help parishes and deaneries fulfil their mission aims.

Strong finances are essential if we are to support effective ministry within our parishes.

Financially 2009 was a year of progress. We saw our management accounts deficit reduce and, equally significantly, were able to set for 2010 the first breakeven budget in well over a decade. This vindicates our long-standing policy of achieving a financial soft-landing having absorbed nearly £2 million of annual cost increases over the past decade. Throughout this period we aimed to use our reserves to cushion parishes from the full effects of the cost increases, believing that we will emerge stronger in the medium term by maintaining and developing healthy and viable parishes.

Parish Share

With £6.29m collected in parish share the Diocese of Liverpool again managed to buck the regional trend through maintaining a high collection rate. This is an enormous tribute to parishes in an increasingly difficult financial climate. The continued success of Giving in Grace and other measures to support parishes in difficulty has clearly had a significant positive impact. We continue to work to make sure that Parish Share works effectively and Synod agreed for a working party to review the method for deciding the system.

National church income

Income from the national church is significant for Diocesan accounts but leaves us exposed to developments which are beyond our control. In 2009 we saw a slight increase to approximately £1.85m, but this will fall in future years.

Earned income

In 2009 we generated £474,000 of earned income. This was an increase of over £100,000 and supplements some of the more traditional income we receive, giving our income stream a wider base.

Clergy costs

The most significant cost for the diocese is clergy costs and the large increase in pension costs in recent years has put additional pressure on us. In 2009, clergy costs rose again to £8.3m. These cost increases remain the biggest factor preventing us from achieving a breakeven point. There remain signs that the clergy costs are stabilizing.

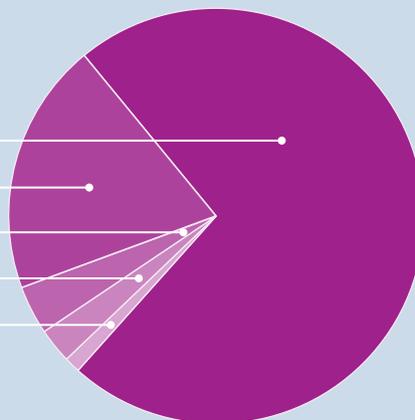
Income

Parish Share Collections	6.3
National Church Allocations	1.9
Assigned Fees & Grants	1.1
Earned Income	0.5
Other Income	0.2
Income from Investments	0.5
Total	10.5



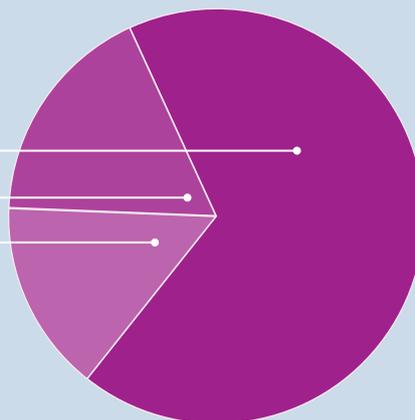
Expenditure

Clergy	8.3
Supporting Mission & Ministry	2.3
Education & Schools	0.4
National Church	0.3
Governance & Administration	0.1
Total	11.4



Funds & Assets

Clergy Houses	35.7
Other Properties & other Assets	9.3
Investments with CCLA	7.9
Total	52.9



Investment income

When the rental income from clergy houses and Church House are taken out from the totals the investment from income can be seen to have remained steady at £263,000. It will be difficult to achieve a step increase in this income line.

Property sales

The property market is undergoing great difficulties at present but we did have some success with property sales. We also sold Church House on advantageous terms under a 125 year lease.

Conclusion

Despite the negative variances in the year we believe that our overall financial management is good. We are continuing to develop income streams, have kept central costs under control and maintain a very impressive level of Parish Share collection. Clearly 2009 was a disappointing year financially from a balance sheet point of view, but given the wider economic context of the year and the underlying improvements we have made to the management accounts position there are strong reasons to remain optimistic about the financial future.

We are working to grow the church in the Diocese of Liverpool. To grow in numbers, in spiritual maturity, in vocations, in service and in love for the communities we are called to be present in. This work continues as we carry on trying to answer the questions posed by Responding to the Call:-

- What is the mission of God?
- What ministries are needed to fulfill this mission?
- What resources are needed for those ministries?

What is clear is that we are being led and are leading others to the vision of a sustainable Christian presence in every community. We are led by our Bishop. We are led by our strategy. We are led by others in the Diocese. And ultimately we are led by God.

We remain committed to seeking, developing and supporting those leaders who can make a difference in their communities – for it lies to those people to ensure that our presence is truly transforming and genuinely sustainable.



Hawthorn flower buds, Photo © Bill Powell

This review contains extracts from the 2009 Annual Report published by the Liverpool Diocesan Board of Finance on behalf of the Diocese of Liverpool. The full report includes financial, legal & technical details required by charity law. It is available from St James House. You'll find our contact details below.



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