

Dear Diocese

I am pleased to share with the Diocese the recent review of Church House services by Mike Eastwood. Mike is the Diocesan Secretary for Liverpool Diocese and conducted the 2012 review of Church House services.

The purpose of this 2019 review was:

*To seek independent verification of the progress made in the Diocese of Sheffield since the Central Services Review set up in 2012, identify lessons learned and next steps, including areas for deep dive or review, such as benchmarking.*

*This will include:*

- *The extent to which Central Services are aligned to diocesan strategy*
- *The scope for Central Services to respond to the current and future challenges in the Diocese of Sheffield*

As you know as a Diocese we have been on a significant journey since 2012 and Church House services have naturally also been on this journey.

Whilst significant cuts were made to Church House in 2013 and 2014 there has also been some areas of growth over the last few years. Mike concludes that even with some growth the size of Church House is comparable to other Diocese. The majority of this growth has been externally funded to provide support for change in a challenging time.

Areas to celebrate are Mike's observed changes to culture, clarity and understanding of the strategy, improved communications, and alignment with priorities.

Of course, there is always room for further improvements and Church House Heads of Department have drawn up an action plan to address each of Mike's recommendations. I'm pleased to say that work was already underway on quite a few of the recommendations and we will continue to review progress. For example, we continue to improve our financial planning, developing a buildings audit tool and closer working practices between St Peter's College and the Parish Support Team. Just like plans in a parish our plans are sometimes limited by resources, time and events. However, we take seriously continuing to, with God's help, be the best we can to support the delivery of the Diocesan vision.

If you have any questions please contact Church House.

Best wishes

Heidi Adcock, Diocesan Secretary

## Light Touch Review of the Diocese of Sheffield Central Services

### Introduction

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I chaired a major review of Central Services in the Diocese of Sheffield in 2012/13. As part of the wider strategic review in the Diocese of Sheffield I was asked to undertake a light touch review of Central Services with the following aim:

*To seek independent verification of the progress made in the Diocese of Sheffield since the Central Services Review set up in 2012, identify lessons learned and next steps, including areas for deep dive or review, such as benchmarking.*

*This will include:*

- *The extent to which Central Services are aligned to diocesan strategy*
- *The scope for Central Services to respond to the current and future challenges in the Diocese of Sheffield*

I have attached the full Terms of Reference as Appendix 1 to this report.

The 2013 review was implemented in a serious-minded and determined way. Inevitably there are changes in the light of circumstance and recommendations which sound plausible in the context of a written report may not always stand up to the realities of organisational life. So this report does not seek to re-visit all the recommendations of the 2013 report to track the extent to which each has been implemented. Nor does it seek to justify the conclusions reached in 2013, so please don't read any noted variation from the 2013 recommendations as criticism; they are simply comments to note changes.

For example, the 2013 review recommended the establishment of a Parish Support Team of 4 people; this has now grown to 5. Equally, the 2013 report recommended a review of training but could not conceive of a rationale for further spend; this all pre-dated the vision for St Peter's College. And the 2013 report was written before Strategic Development Funding was available and before the establishment of the Independent Inquiry into Child Sexual Abuse (IICSA) and the associated widespread increase in safeguarding spend across dioceses.

All of these changes are noted and commented on in this report, not to justify the 2013 conclusions but rather because they featured in my discussions with people this time round.

I have also tried to keep this report as brief as possible. It is based on fairly widespread reading of and briefing on the extent of the missional and financial challenges facing the diocese and 20 interviews with a cross-section of people working in the diocesan office and in deaneries and parishes. I was very grateful for the generosity of people's time and the openness and serious-mindedness with which they engaged in this review. This report cannot do justice to all the contributions made, but I hope it distils the key points in a helpful and accessible way.

It is written in 4 broad sections:

- People
- Strategy
- Alignment
- Culture

## **1. People**

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One of the core issues in the 2013 review was the need to save money and re-invest some into front-line support of parishes. The review recommended saving up to 7 full-time equivalent (fte) roles, the establishment of a Parish Support Team of 4 people and the possibility of a further investment of 0.5 post into Communications.

Appendix 2 indicates that there was an underlying reduction of 5 fte roles between 2013 and 2014, 3.1 of which were re-invested in establishing the Parish Support Team. Since then a further 8 fte roles have emerged, plus the Parish Support Team has grown to 5, making a total of 9 fte equivalent roles not envisaged in 2013, an increase of over 30% from the 2014 baseline. Over 25% of this increase is an investment in safeguarding and another major increase is in training (via St Peter's College).

Some observations:

- Various people commented that the basis for increases in staffing numbers was not clear. One person said that one area had 'grown and grown without us ever deciding that'. There will need to be very significant disciplines around how and where future spending decisions are made.
- Various people commented on the problems of perception of increases at the centre (however they are funded) alongside significant cuts at parish level, with the attendant challenges around achieving a step change increase in Common Fund payment. A major strategic focus on the Release aspect of Central Services (see Alignment below) would appear to be essential.
- I would observe, however, that in most areas the staffing numbers are not out of line with equivalent dioceses and that between 2013 and 2014 significant – and painful – cuts were made in administrative capacity.
- There is a huge management/resource challenge around the SDF/Centenary Project funded growth in staffing. By the end of 2018 the SDF/Centenary Project had added over 22 fte to the head count – an increase of over 40% - and more appointments are planned. This has significant knock-on impacts for HR and more general management and resources.
- Between them the Parish Support Team and St Peter's College have 9 fte equivalents. This is a very significant resource. At the moment while there is some collaboration between the two teams they are functionally pretty separate and would seem to claim different kinds of inputs – broadly characterised as just in time interventions on the one hand and steps through a journey of lifelong learning on the other. There must be a question, however, as to

- whether this functional separation and difference of approach is maximising the impact of the resources available in support of the diocesan strategy.
- There were requests for further resource to support service development (eg the finance team had an idea for working more closely with parishes around book-keeping and accounting). There needs to be a good process for evaluating such ideas in terms of actual as opposed to perceived demand and the extent to which capacity already exists elsewhere in Central Services or a potential volunteer network across the deaneries. But if the answer is always no people will stop coming forward with good ideas.
  - There are areas that were strongly arguing for further administrative support, most notably archdeacons. I would observe that there is a good degree of administrative capacity in the Diocesan office but would question how flexibly it is being deployed. Quite a bit seems to be geared to very specific parts of the organisation; is there scope for a more team-based approach to PA and EA support, for example?

## **2. Strategy**

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One of the key findings of the 2013 review was the significant disconnect between the diocesan strategy (often then characterised as the Bishop's strategy) and the work of the Diocesan office. On the basis of my conversations this disconnect has largely disappeared. Everybody I spoke to summarised and broadly supported the core aspects of the strategy, albeit recognising there was significant detail still to work through. One comment was that the strategy was 'the clearest I've seen'.

Some observations:

- There was some challenge to the inclusion of buildings as one of the 4-headed beasts with the argument that churches are and should be seen as community assets rather than missional or financial liabilities. This was strongly resisted by others who were arguing for the freeing up of financial and maintenance responsibilities surrounding buildings so that people could focus on mission and evangelism. This argument needs resolving or there is a significant danger of the Diocesan office pulling and being seen to pull in different directions and potentially wasting resource in the process.
- There is a challenge for the Parish Support Team around the balance between general advocacy and resource against bespoke services and interventions. My own observation would be that the next season of work for the Parish Support Team will be much more focused on bespoke engagements and quasi consultancy work with parishes and leadership teams to support them through the changes and release them into missionally ambitious plans and actions into the future.
- There will need to be a training and development strategy to support the changes. There will be an important conversation with St Peter's College as to where they sit within this.
- Responsibility for holding and articulating the financial narrative seems to fall disproportionately on the Diocesan Secretary, supported by the DBF Chair.

Clearly it's a key part of the Diocesan Secretary's role but there is a twin danger that it does not become more widely owned and that Heidi gets boxed into the financial context.

- A personal observation (possibly beyond the brief of this report) is that I think there is a significant under-estimation of the need for real face-to face time with the key leaders and leadership teams of the new parishes. This will need to form a central part of the bishops' and archdeacons' priorities and they will need to be released into that. This direct engagement will also need to support and complement the work of the Parish Support Team and others. I suspect the strategy will need to be intensively relational in its outworking.

### **3. Alignment**

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The Release element of the strategy will be a key discipline and focus area for the Central Services Team. There will be an absolute premium on quality of advice and simplicity of process. Many of the non-Central Services Team people I spoke to commented warmly on the improved accessibility of Central Services and a sense in which if people didn't know the answer they would find out and get back. They also recognised the really significant work Heidi has done in building a more cohesive and engaged office environment.

Some observations:

- There will need to be an absolute focus on this kind of user-responsiveness amid the constant question around:
  - *How does my work release other people into the work that God has set before them?*
- There will be a premium on clear and accessible advice in areas like safeguarding, buildings, church rules and regulations; on clear, compelling and accessible information about the strengths and challenges in any given parish/missional community; on good, clear and practical suggestions as to how to solve problems and move forward confidently. The pressures on parish leaders will grow significantly as the strategy unfolds. As one person commented 'challenges of increased costs (buildings) and stretched expertise (safeguarding) could create a gravitational pull away from the desired missional focus'; if so, parish leaders and officers will be looking for Central Services to make their life as straightforward as possible.
- The welcome appointment of a Programme Manager allows for the potential of programme management disciplines to be applied beyond the SDF funded projects. In particular this would allow a sharper focus on key deliverables (eg the number of focal leaders needed, the anticipated in-year growth in the Parish Giving Scheme, the levels of Common Fund collection) which should, in turn, create an organisational focus on these key aspects. For example, the growth in take-up on the Parish Giving Scheme cannot be the sole responsibility of the Generous Giving Adviser; it will require a whole organisation response.
- I didn't hear much on how Central Services and others were planning to gear up to help achieve an increase in Common Fund. This is a central plank of the

- future deployment strategy; the planned increase is not inevitable or easy. Serious attention needs to be given to the how element of this increase.
- I also noticed a general silence on other income generation strategies. There was little mention of asset utilisation or income development, whether a much more active management of rental voids or (re)development of fee income. The only real talk was around employing fundraisers in connection with the Centenary Project. I would hope for a more rounded income strategy than this.
  - There were several suggestions around ICT investment around property management software, finance department efficiencies (eg. tracking the movement of funds and inputting Council Tax) and to facilitate remote working. These seem all worthy of further scrutiny to see if they maximise operational capacity.
  - Similarly, there was a suggestion of a desk and telephone review which, if linked to investment in remote working, may enable a more efficient use of the office and even open up the prospect of rental income.
  - It will be important to ensure that financial realities are held in front of all departments. Monthly management accounts by department should be produced and distributed, with regular reviews for those areas behind on budget.

#### **4. Culture**

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The 2013 review made several recommendations about culture. It was encouraging to see how much progress had been made on so many of them. These include the re-gearing of the office in support of the diocesan vision and strategy, improving the physical appearances of the offices, re-fashioning the role of Diocesan Secretary and establishing regular staff meetings. There was tangible and impressive progress in these and many other areas; it felt qualitatively different in tone, atmosphere and purposefulness. Both the finance and property functions seem much more in line with where the diocese is seeking to get to.

Some observations:

- The major challenges going forward will centre on the extent to which Central Services can align to the diocesan strategy. There are significant management and coordination challenges within all of this. It would have been premature for me to focus on the question *I know you are busy but is your work absolutely aligned to diocesan strategy?* because that strategy is not yet fully formed. But it will be a highly pertinent question in 6 months' time, and at regular intervals beyond. It will require people to show consciously and determinedly:
  - How their 'to do' list absolutely supports the strategy
  - What is on their 'to don't' list (ie the things they have put down to ensure the focus on strategy)
  - What good looks like in their area of work, and
  - How they are joining up and in with the work of colleagues.

- This will require much more informal and proactive engagement with people outside each person's current team (there were several references to on-going silo working).
- This also raises a central question as to how and where responsibility for alignment with strategy and consequent resource investment decisions will be made and held. The scale of the challenge in the diocese is such that it will take every resource and more to support the level of change required. Business as usual will not achieve the hoped for transformation. There will need to be an on-going culture of constant improvement, constant re-alignment, persistent focus in season and out of season. It is not clear how all this will be joined up.
- There was some push back on a perceived over-emphasis on governance and risk. It's a tough balance to strike between focus and rigour on the one hand and freeing people and resource on the other.
- In amongst all of this activity it will also be important that people can get head space to reflect on progress and priorities both individually and collectively.

I hope the above conveys at least some of the considerable progress that has been made since the last review. I hope it also conveys the on-going challenge if the Central Services Team is to play a full and vital part in this next season of diocesan life and mission.

*Mike Eastwood*  
*February 2019*

## **APPENDIX 1: SUMMARY OF RECOMMENDATIONS**

The following is a list of recommendations that emerge from this report:

### ***People***

1. Create new disciplines around and fiscal rules for how and where future spending decisions are taken.
2. Ensure a significant and determined Central Services focus on the Release aspect of the diocesan strategy.
3. Ensure there is sufficient management and wider organisational capacity to deliver the SDF/Centenary Project.
4. Explore whether the functional separation of the Parish Support Team and St Peter's College is the best way of maximising and aligning such significant resources.
5. Encourage continued innovation by creating a means/forum for evaluating ideas/service development proposals.
6. Explore the scope for a more team-based approach to EA/PA support.

### ***Strategy***

7. Ensure that there is an organisationally coherent and consistent approach to buildings within the future strategy.
8. Explore a shift of emphasis within the Parish Support Team away from general advocacy and services to more specific interventions and tailored support packages to meet specific needs.
9. Ensure there is an appropriate training and development strategy to support strategic change.
10. Ensure there is a more broad-based ownership at leadership level around the financial strategy, context and narrative.
11. Ensure senior leaders have sufficient face-to-face time to support key parish leaders and advocate/reinforce key changes.

### ***Alignment***

12. Ensure Central Services focus on high quality advice and support for core aspects of the strategy.
13. Within this ensure key deliverables/outputs are clearly articulated and underpinned by a culture of mutual support and accountability.
14. Ensure sufficient attention is given to securing the step change increase in Common Fund.
15. Ensure serious thought and attention is given to maximising incomes streams and asset development above and beyond planned fundraising strategies.
16. Explore whether and how capacity can be maximised through IT and/or flexible working options.
17. Ensure the regular distribution of management accounts to all budget holders.
18. Establish a practice of targeted budget meetings for those areas falling behind on their budget.



**Culture**

19. Ensure there are regular planning and re-planning sessions within teams and individual supervision sessions as to whether all the work being undertaken is aligned to current and/or emerging challenge and organisational requirement.
20. Within this ensure that any re-planning is also factored into budget and financial planning discussions.
21. Ensure there are regular opportunities for people to engage beyond their team/immediate sphere of operation.
22. Reflect on the balance between appropriate accountability/planning and unnecessary bureaucracy.
23. Continue to ask the question as to whether staff have sufficient time and space for planning, preparation and thinking.

## **APPENDIX 2: TERMS OF REFERENCE**

### **Light Touch Review of the Diocese of Sheffield Central Services**

#### **Vision**

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The Diocese of Sheffield is called to grow a sustainable network of Christ-like, lively and diverse Christian communities in every place which are effective in making disciples and in seeking to transform our society and God's world.

#### **Aim**

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To seek independent verification of the progress made in the Diocese of Sheffield since the Central Services Review set up in 2012, identify lessons learned and next steps, including areas for deep dive or review, such as benchmarking.

This will include:

- The extent to which Central Services are aligned to diocesan strategy
- The scope for Central Services to respond to the current and future challenges in the Diocese of Sheffield

#### **Outcomes**

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To contribute to:

- A viable and costed implementation plan
- A realistic and achievable seven-year diocesan financial plan
- A new, Bishop-led, locally owned Diocesan plan for stipendiary headcount
- An affordable ministry support offer to meet our statutory and legal requirements and strategic ambitions
- A new communications strategy to support the work set out above, to build stakeholder and participant engagement, support and commitment

#### **Scope**

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*In scope*

- The functions and activities of staff within and accountable to Diocesan Church House

*Out of scope*

- The broader financial context of the Diocese of Sheffield
- The deployment of resources at deanery and parish level

#### **Process and output**

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The review will be conducted in 2 broad phases:

*(i) Investigation*

- Meetings with each head of department and a representative selection of employees (as determined by the Diocesan Secretary)
- Meetings with the Chair of Sheffield DBF, Synod Chairs and 2 members of Bishop's Council

- Meetings with 2 Area Deans and Lay Chairs
- Meetings with the principals and 2 staff members from St Peter's College
- Reading diocesan strategy and governance materials, peer review papers,
- Cross-checking emerging themes and ideas against diocesan strategy

*(ii) Findings, conclusions and suggestions*

- Findings – the main themes that came through the interviews (expressed unattributably)
- Conclusions – the reviewer's view of the main lessons to be drawn from those interviews and other inputs and the extent to which Central Services are aligned to diocesan strategy
- Suggestions – the reviewer's view on areas for further investigation and what may make for greater organisational agility and impact

**Timings**

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January	Preparation
February	Information gathering – inc interviews
March	Draft report; review in the light of feedback; final report

## **Draft letter to interviewees**

As you know +Pete and Heidi have asked me to support them by conducting a light touch review of Central Services. The Terms of Reference set out what we are aiming to do and I attach them for convenience.

I very much look forward to meeting with you and hearing your views. I thought it might be helpful if I set out some of the areas we might cover. Depending on your style you might want to think about these beforehand.

We don't need to be limited to these questions. Please do feel free to raise whatever you think is relevant to our conversation.

For those who are diocesan employees the main focus of the conversation will be your role and specific areas of responsibility, but as I say I would welcome thoughts beyond those:

- In what ways does your role/areas of responsibility succeed in serving the diocesan strategy/helping the diocese achieve its strategic aims? What is the evidence for that?
- In what ways does your role/areas of responsibility struggle to serve the diocesan strategy/helping the diocese achieve its strategic aims? Why is this?
- What has changed in your role over the past 3 years or so?
- What would you say have been the lessons/learnings from the past 3 years or so?
- What scope is there to do things differently or to do different things?

For those who aren't diocesan employees the conversation will cover the same issues but in a more generalised way:

- In what ways do Central Services succeed in serving the diocesan strategy/helping the diocese achieve its strategic aims? What is the evidence for that?
- In what ways do Central Services struggle to serve the diocesan strategy/helping the diocese achieve its strategic aims? Why is this?
- What has changed in Central Services over the past 3 years or so?
- What would you say have been the lessons/learnings from the past 3 years or so?
- What scope is there to do things differently or to do different things?

I greatly look forward to our conversation. I can assure you that the details of the conversation will remain confidential; I will only be reporting on the themes that emerge.

With very best wishes,

Mike Eastwood

### Appendix 3: Staffing movements 2013 - 2018

	<i>Total staff</i>	<i>PST</i>	<i>SDF/CP</i>	<i>Total excl PST SDF/CP</i>
2013	28.39	0	0	28.39
2014	26.43	3.1	0	23.43
2015	30.61	4.4	2.8	23.41
2016	39.39	5	8.57	25.82
2017	50.01	5	14	31.01
2018	58.52	5	22.41	31.11

### Main areas of staffing increase 2014 - 2018

	<i>2013</i>	<i>2018</i>	<i>Increase</i>
<i>Safeguarding</i>	0.5	2.94	2.44
<i>Training/SPC</i>	2.43	4.37	1.94
<i>Comms</i>	1.1	2.6	1.5
<i>Interim minister</i>	0	1	1
<i>DDO</i>	0.6	1.3	0.7
<i>DAC/buildings</i>	0.8	1.4	0.6
<b>Total</b>			<b>8.18</b>