

Archbishops' Council

2006 Budget



2006 Budget Highlights

Training Budget	(Vote 1)	1.0% increase
National Support	(Vote 2)	3.6% increase
Grants	(Vote 3)	11.4% increase
Mission Agencies Pensions	(Vote 4)	9.6% increase
CHARM	(Vote 5)	0.2% reduction
Net Apportionment		2.7% increase
2004 Surplus		£573,200 is being returned to dioceses in June 2005.

This booklet sets out the underlying figures and provides details of how the budgets are made up and the nature of the work they finance.

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Executive Summary

Introduction

1. The Church of England has over recent years shown its ability to respond generously to the cost of its nationwide ministry and mission, which has increased above inflation for a number of reasons, not least the increasing cost of clergy pensions. The Archbishops' Council is aware of these challenges and pressures and in preparing the budget set out in this document is acutely conscious of the desire of dioceses and parishes for low annual increases in national costs.
2. The Archbishops' Council succeeded in freezing its net administrative expenditure for the three year period 2002-4 (as did the Church Commissioners). The freeze on administrative costs involved very considerable pain across the Archbishops' Council – it resulted in the loss (or, in a few cases, external funding) of around 50 posts – but was accepted as necessary in response to financial pressures. Whilst that freeze ends in 2004, and would not have been sustainable for a longer period if the required level of services is to be provided, it is fully acknowledged that increases in the budget need to be kept to the minimum.
3. To that end, all parts of the budget have been examined comprehensively and pruned wherever possible. Moreover, the Council announced in late 2004 a programme of Total Service Reviews, to assess, over a three year period, every aspect of the Council's activity to consider whether it could be better done differently or elsewhere or whether it needs to be done at all. The reviews are being carried out by a largely-independent Steering Group.

Format

4. This executive summary of the budget is followed by an overall budget summary and detailed sections on each activity. The section on the costs of the work carried out at Church House is analysed further to provide a description of each area including its cost, staffing (which makes up the vast majority of the total cost) and principal functions. It is hoped that this format provides a helpful summary of the work carried out at Church House on behalf of the wider Church. A five year indicative forecast also forms part of this document, particularly to assist dioceses in forward planning.
5. The document contains a budget summary showing gross expenditure for each department to support the motions which Synod will be asked to approve. A brief leaflet summarising the budget will be prepared for wider circulation, particularly at diocesan and parish level, once the budget has been approved by General Synod. An analysis of the income and expenditure of each department is available to General Synod members on request to Mark Humphriss (Head of the Financial Policy Unit).

Process

6. Each part of the budget has been reviewed line-by-line to be satisfied that income and expenditure are at realistic and justifiable levels and that the budget is for no more than is strictly necessary in order to carry out the tasks which need to be undertaken. Each department prepared a Business Plan commenting on 2004 and 2005 and setting out their proposals for 2006. These have been reviewed by the Senior Management Group and will be used as working documents to develop the Council's business planning and in responding to new and existing strategic challenges.
7. The Budget was considered in detail by the Council's Senior Management Group, the Finance Committee and the Archbishops' Council itself and a number of savings were agreed as part of this process. The Inter-Diocesan Finance Forum also had the opportunity to comment on the budget before it was considered by the Council. The Archbishops' Council at its meeting on 2 June approved the budget in the form set out in this document.
8. Following wide consultation within the Church on *Clergy Stipends, Pensions and other financial issues* (GS Misc 663), proposals were agreed by General Synod in November 2002 (contained in GS 1467) to reflect a need for redistribution of resources between dioceses beyond what could be achieved through the amount being made available through selective allocations to the least resourced dioceses. These proposals amount to around an additional £10 million p.a. being recycled to dioceses judged to be in greatest financial need (increasing the total amount to up to £27 million p.a. at current levels). The first phase of this 'mutual support' programme was that transferred cost allocations (i.e. that part of the costs of the Archbishops' Council representing functions previously carried out by the Church Commissioners) were from 2004 distributed selectively to dioceses in greatest need (around £2.1m).

CHARM

9. The next phase was for costs associated with the Church's Housing Assistance for the Retired Ministry (CHARM) to be borne on the central apportionment (rather than by the Church Commissioners) from 2005. These costs relate to the subsidy that is provided to limit to 30% (25% for older loans) of a clergy pensioner's income the rent for a CHARM property (£1.9m), a share of certain costs in respect of the mortgage part of the scheme (£0.2m) and the Pensions Board's costs in administering the rental and mortgage schemes (£1.0m). Further details of the 2006 Vote 5 budget are set out later in this document and were reviewed at a meeting in March with diocesan representatives.

Abolition of Special Payments/ Guaranteed Annuities

10. The final phase of the recycling proposals agreed by General Synod in November 2002 is the abolition of Guaranteed Annuities and other Special Payments. The legislation completed its Parliamentary passage in March and has now received Royal Assent. This will free up a maximum of around £4.5 million currently

distributed on a historical basis by the Church Commissioners towards stipend costs. Whilst dioceses will no longer have the benefit of those allocations, the amount freed up will be distributed from January 2006 in parish ministry support via selective stipend allocations to the least well resourced dioceses.

Limited Review of Allocations and Apportionment

11. The Archbishops' Council established in mid-2004 a limited review of the methodology from which are derived both the amounts paid in selective allocations and the formula by which the national costs financed through this budget are apportioned between the dioceses. The Group's report is being circulated to Synod members as GS Misc 779. There was a two-month period of consultation with diocesan boards of finance and it was on the agenda of the May meeting of the Inter-Diocesan Finance Forum (comprising at least one General Synod member per diocese), at which the report's recommendations were welcomed. In view of this support, the table of apportionment on page 51 of this document takes account of the modest changes recommended in the Group's report from 2006 for the first time.

Phasing

12. A phasing mechanism already exists whereby it was agreed with dioceses that where the amount of allocations and/ or apportionment varies from year to year due to changes in the underlying data or transfers of funding responsibility, a capping mechanism limits this variation, taking the two together, to 1% of parish share from 2006 (2% prior to the limited review described in the previous paragraph).

Common Services

13. Almost half the staff managed by the Archbishops' Council work for one of the common service departments (Communications, Human Resources, Information Technology, Accounts, Internal Audit, Legal Services, Office Services, Publishing, Bookshop and the Record Centre), the cost of which is shared on the basis of use between the National Church Institutions (principally the Archbishops' Council, the Church Commissioners, Lambeth Palace and the Pensions Board). At a meeting of the Joint Employment and Common Services Board (JECBSB) on 22 March, these bodies indicated their agreement to fund their respective shares of the budgets of departments in which they have an interest. The amount of time which each common service department devotes to each NCI is monitored each quarter for recharging and to help assess the likely budgetary impact.

Individual Votes

Vote 1 (Ordination Training)

14. The 2004 outturn was an underspend of £448,000. This arose due to a reduction of just over 50 places in the college sector (the costs of which are significantly higher) for the 2003/4 academic year, compared with the 2002/3 year. In the

2004/5 academic year total numbers in training slightly increased, but there was a further small reduction in numbers in colleges.

15. Current indications are that for 2005/6 numbers in training overall will remain constant but that there will be a further reduction in numbers in residential training, accompanied by a similar increase in numbers in non-residential training. It is currently envisaged that there will be a saving in 2005 against budget of around £445,000.
16. The Ministry Finance Panel, the Finance Committee and the Archbishops' Council have all considered the degree to which it is right to reduce core costs in the colleges (by reducing staff numbers) to match this substantial trend from residential to non-residential training. Over a five year period the numbers in colleges will have reduced by 23% whilst the numbers in non-residential training have increased by 16% (see the table in the Vote 1 section of this document).
17. The position of the smaller colleges (on formational as well as financial grounds) is to be considered by the House of Bishops in January 2006. There is no wish to prejudice this but equally, with competing financial priorities, the Church has to limit the sums it can spend on college places that are unoccupied. The balance that has been struck is to continue for the next two years to pay for capacity for up to around 30 places in colleges, pending the House's consideration and to reduce core costs to that level over a two year period to avoid creating an impossible level of hardship on the institutions concerned from September 2005. The 2005 forecast and the 2006 budget have been prepared on this basis and alter what would otherwise have been a small reduction in Vote 1 in 2006 to a 1% increase.
18. The Vote 1 budget in 2006 also allows for some provision (as in 2005) for Hind implementation costs (primarily within institutions) and a new provision for curriculum training for Pioneer missional leaders. Savings (as set out in the Hind report) in academic and non-academic costs are not provided for in 2006, as the proposals are taking longer than envisaged to implement, but it is hoped that some savings from closer collaboration will materialise by 2007. The budget does not provide for CME, as that is now to continue to be funded by dioceses, or for research (as that has had to be delayed until 2007 as it is to be funded from the savings in academic and non-academic costs).
19. The General Synod in July 2004 passed an amendment asking the Archbishops' Council to reverse the proposal that maintenance grants should become part of Vote 1 from September 2005. A new apportionment table, reflecting this change, was issued to dioceses in late July 2004. This change now enables the rolling reserve to be reduced by £100,000 which had been added to it in the 2005 Budget to provide cover in case maintenance costs were not exactly as budgeted.

Vote 2 (National Church Responsibilities)

20. **2004 expenditure** overall was £205,000 below budget due to careful management of the budget and, particularly, to lower service charges than budgeted. The balance will be designated for accommodation costs relating to the refurbishment

of Church House (a provision for which had been included in the budget, but could not under accounting standards be charged to the statutory accounts).

21. A fundamental review of pay structures (following a similar exercise in the Home Office which was the analogue for NCI salaries) to harmonise the quite different pay arrangements which applied for historical reasons to the different organisations reached its conclusion in June 2004 and was implemented with effect from 1 July 2004. The precise impact of the pay review on individual staff varied considerably and the effect between different departments was such that, as anticipated, the 2005 Vote 2 Budget was restated in December 2004, resulting in the overall level of Vote 2 voted by General Synod being allocated in a slightly different way between departments.
22. Comparisons as regards individual departments in this document are all to this restated budget, which is the baseline for budget monitoring during 2005. Pay levels are now negotiated annually between the Joint Employment and Common Services Board and the recognised trade unions.
23. Reductions in individual expenditure items have been taken wherever they can be achieved. Improvements in technology (particularly email) continue to make possible substantial reductions in stationery, postage and other costs. A combination of these savings, coupled with a determination by the Senior Management Group to arrive at a budget that is within the 3.75% level forecast last year, has enabled a Vote 2 budget requiring an apportionment increase of 3.6%.
24. Church House Publishing incurred a significant deficit in 2004, due particularly to the publication of *Daily Prayer* being carried over to 2005. The Publishing Board has been actively reviewing Publishing and the Bookshop over the past year and the Council is now implementing steps which are expected to achieve the Council's aim of a break-even position in each case. It was announced just before Easter that Church House Bookshop would be offered for sale. Discussions are underway with a number of potential buyers.
25. The Council will be meeting expenditure amounting to just over £200,000 in 2006 in relation to its share of the major works being undertaken at Church House. The Finance Committee has taken the view that this can be met from reserves, and so a draw-down from reserves of £204,000 is reflected in the budget. The work will enable all the Church Commissioners' staff to be accommodated in Church House from 2007 and thereby achieve a more cost-effective use of space, as well as less tangible benefits from co-location of the staff.
26. The **contingency** fund in 2004 was set at a higher level of £150,000 as at the time the budget was agreed the Communications Review was still awaited and it was expected that it would not prove possible to achieve all the savings in that department that had been factored into the budget. This indeed proved to be the case and explains the £60,000 over-expenditure in Communications.
27. The long lead-in time for the preparation of budgets means that new items of expenditure always arise which could not have been foreseen early the previous

year when budgets were prepared. The contingency fund provides a means of meeting unbudgeted expenditure which senior management and the Finance Committee (or its Chairman if a decision is required at short notice) deem necessary. In the restated 2005 budget the contingency was reduced to £50,000; this has been increased for 2006 to £75,000 in view particularly of current uncertainties as regards the Bookshop.

Vote 3 (Grants)

28. Expenditure in 2004 overall was broadly in line with budget. The modest savings that did arise (from non-use of the Vote 3 contingency amount and provisions that it was no longer possible to charge to the accounts) have been transferred to the Legal Aid Fund in view of the need to build up that Fund (the balance was extinguished in 2003). The 2005 and 2006 Budgets also allow for further sums to be transferred to the Legal Aid Fund - it is envisaged that the annual cost of legal aid once the Clergy Discipline Measure is in place from 2006, at least in the early years, could amount to a substantial sum - and expenditure is also expected under the current legislation in 2005.

29. The Vote 3 budget for 2006 provides for an underlying increase of 3% in grants (as did the 2005 budget). This recognises the very substantial pressure that any continuation of the freeze in 2003-4 would place - but with the increase in our contribution to CTBI/ CTE amounting to less than 0.5% (as agreed until 2006) and our contribution to WCC being frozen, as set out later in this report. The increased provision for legal aid brings the total increase for Vote 3 to 11.6%.

Vote 4 (Mission Agencies Pension Contributions)

30. These payments are a statutory liability on the Church Commissioners as a consequence of the Pensions Measure 1997, but with the costs now met through the Council's budget to ensure that the Commissioners' capacity to maintain their stipends support to dioceses in need is not impaired. It was agreed with the mission agencies in 2003, and ratified by General Synod in July 2004, that this previously open-ended liability would be capped at the level of expenditure in 2004 plus RPI.

31. Expenditure in 2004 was £70,600 above budget as certain payments due but not paid in 2003 were not accrued at that year end. 2005 expenditure is expected to be broadly in line with budget. As by 2006 the reserves will have been run down to a minimum acceptable level, it has been necessary to provide for a 9.6% increase in apportionment.

Vote 5 (CHARM)

32. From 2005 the budget provides for costs associated with the Church's Housing Assistance for the Retired Ministry (CHARM) to be met from the apportionment, rather than by the Church Commissioners, thus releasing extra parish ministry support. The budgeted amount for 2005 is £3.1 million and, due to certain steps currently being taken to contain expenditure, it is expected that some savings will

be achieved in 2005 and it has been possible for the Pensions Board to prepare a budget for 2006 at a similar level to 2005.

Apportionment

33. The apportionment of the budget covered in this report is set out in a table later in this document. It is based on the formula recommended by the Allocations and Apportionment Review Group and agreed by the General Synod in 2001 as slightly amended by the recommendations of the limited review of Allocations and Apportionment.
34. Rochester diocese has notified us that its Diocesan Synod has decided that it may only pay one-third of the amount requested in respect of Vote 5; the Council has in turn advised the diocese that it would treat any shortfall as arrears due in future years. This has not, however, been reflected in the table of apportionment.
35. As the Diocese of Europe is not legally able to receive funds from the Parish Mission Fund, that diocese's apportionment (which would have been around £50,000 in 2006 in advance of pooling adjustments) is waived to enable corresponding funds to be available for mission projects.
36. The Forces Synodical Council has agreed, in part in recognition of its enhanced Synodical representation from 2005, that from 1 July 2005 it will contribute to Apportionment. It has been agreed that this will be at the level of £25,000 in 2005 and £50,000 in 2006 and this has been factored into the Table of Apportionment, reducing slightly the amount requested of dioceses.

Staff Pension Deficit

37. The results of the latest triennial actuarial valuation of the Church Administrators Pension Fund (of which almost all staff of the Archbishops' Council are members) were received in June 2003. The conclusion, based on the valuation as at 31 December 2002, was that it was necessary for the employers' contribution level to increase from 20% to 22.5% with effect from 1 January 2004. The NCI pay award for 2004 took account of the fact that the employers were having to make increased pension contributions.
38. Additionally, the surplus in the fund (of around £3 million at the previous valuation) became a substantial deficit, in common with the position of many other pension schemes. The Council has therefore started to pay an additional amount of £150,000 p.a., increasing by RPI, with effect from 2003, towards this deficit, which has been factored into these budgets.

Reserves

39. The Council reviews its reserve levels annually. Vote 1 reserve levels are considered to be at a satisfactory level, except that the amount currently within the rolling reserve is higher than the Council considers can be justified. The Finance Committee agreed that the balance over £400,000 should be returned to dioceses

(as set out in the Vote 1 section later in this document) and £573,200 is being returned in June 2005. Vote 2 reserves are within reserves policy levels (albeit towards the upper limit).

40. Vote 3 reserves are now being built up as amounts set aside for expenditure arising irregularly have to be held within reserves, rather than as creditors, and especially due to the open-ended nature of the commitment for legal aid (and, to a lesser extent, in relation to the minor grant schemes). Vote 4 reserves are now around the minimum acceptable level.

Five Year Forecast

41. A five year forecast is attached later in this document. This is our best estimate of future net expenditure and should be seen as no more than this. Figures in respect of 2007 and beyond need to be treated with caution, but will provide dioceses with some outline figures to build into their own long term planning. The main factors are further above-average increases in Vote 3 due to the anticipated need to increase the Legal Aid Fund contributions, especially in view of a decision by the Church Commissioners earlier in 2005 to phase out their 50% contributions to legal aid expenditure; and annual increases in Vote 5.

Conclusion and Recommendation

42. The General Synod is invited to approve the budget as set out in Special Agenda V which would result in the following apportionments:-

	2006 Budget
Vote 1	£9,267,000
Vote 2	£9,919,100
Vote 3	£1,416,500
Vote 4	£740,000
Vote 5	£3,111,000
Net Apportionment	£24,453,600

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Chairman, Finance Committee
On behalf of the Archbishops' Council

Church House
London SW1P 3NZ

2 June 2005

Budget Summary (net)

Archbishops' Council Budget For the year 2006

	Actual 2004 £	Budget 2004 £	Restated Budget 2005 £	Budget 2006 £
Training for Ministry				
Income	(141,309)	(90,000)	(120,000)	(145,000)
Expenditure	8,742,406	9,139,298	9,416,240	9,512,000
	8,601,097	9,049,298	9,296,240	9,367,000
Less Diocesan Contributions	Vote 1 (9,049,298)	(9,049,298)	(9,171,240)	(9,267,000)
Movement (to)/from Rolling Reserve	(448,201)	0	125,000	100,000
National Church Responsibilities				
General Income	(285,606)	(300,000)	(310,000)	(320,000)
Net Expenditure (net of related income e.g. contributions from other NCIs to common services)				
Central Secretariat	1,507,214	1,624,238	1,673,875	1,698,361
Ministry Division	1,314,454	1,295,768	1,308,588	1,376,400
Education	523,456	516,789	570,613	599,662
Mission & Public Affairs	972,252	1,020,689	1,097,167	1,130,384
Cathedral & Church Buildings	563,843	538,087	628,193	664,611
Finance	496,251	489,684	527,739	554,804
Accounts	285,049	256,656	244,430	272,262
Internal Audit	66,947	61,078	66,751	71,170
Legal	515,322	500,421	558,218	612,498
Communications	410,839	352,679	429,047	454,428
Human Resources	224,941	208,210	233,029	264,080
Information Technology	414,597	404,489	385,774	400,989
Records	85,139	84,474	78,284	90,095
Church House Publishing	113,384	32,181	45,632	34,925
Church House Bookshop	46,714	40,357	60,495	0
Office services	343,335	345,439	356,122	327,353
Accommodation	1,567,393	1,607,122	1,570,468	1,816,077
Contingency	0	150,000	50,000	75,000
	9,451,130	9,528,360	9,884,425	10,443,100
Less Diocesan Contributions	Vote 2 (9,228,360)	(9,228,360)	(9,574,425)	(9,919,100)
Movement (to)/from Reserves	(62,836)	0	0	204,000
Grants and Provisions				
Expenditure	1,194,229	1,194,229	1,271,850	1,416,500
Diocesan Contributions	Vote 3 (1,194,229)	(1,194,229)	(1,271,850)	(1,416,500)
Movement (to)/from Reserves	0	0	0	0
Mission Agency / Clergy Pensions				
Expenditure	793,230	722,750	735,753	740,332
Diocesan Contributions	Vote 4 (675,000)	(675,000)	(675,000)	(740,000)
Movement (to)/from Reserves	118,230	47,750	60,753	332
CHARM				
Expenditure	0	0	3,117,000	3,111,000
Diocesan Contributions	Vote 5 0	0	(3,117,000)	(3,111,000)
Movement (to)/from Reserves	0	0	0	0
Overall Apportionment	(20,146,887)	(20,146,887)	(23,809,515)	(24,453,600)

Training Budget Forecast for 2006 (Vote 1)

Numbers in training

1. Numbers of sponsored ordinands attending Colleges and Courses in the last five academic years and estimates for the next two years are set out below. The table also shows the numbers of OLM ordinands training on Schemes recognised by the House of Bishops.

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Colleges*	622	614	556	505	501	471	471
Courses**	601	598	608	612	654	694	694
	1,223	1,212	1,164	1,117	1,155	1,165	1,165
OLM Candidates	209	191	217	203	169	169	169
Total	1,432	1,403	1,381	1,320	1,324	1,334	1,334

* College numbers include ordinands who are research students and candidates undertaking mixed-mode training with the St John's College, Nottingham scheme. The number of centrally funded full-time College ordinands in 2004/05 is 466, estimated to fall to 436 in 2005/06 and 2006/07.

** The Course student numbers include those candidates undertaking diocesan "pre-theological" training. There are currently 16 students in this category; numbers in this category are expected to remain stable in the forthcoming two academic years.

2. Although the overall numbers in training have remained steady when compared to past years there has been a significant change in the pattern of training. The proposed 2006 budget reflects the continuing movement from residential college-based training to non-residential course-based training.

College Numbers

3. The Ministry Finance Panel has carefully considered the expected numbers in training in the academic years 2005/06 and 2006/07. The available figures indicate that there is likely to be a reduction in the numbers training in colleges. For the purpose of the budget it has been decided to fund 456 Full Time Equivalent students. The reduction from the 517 FTE in the 2005 budget would result in a cut of £451,000 in the colleges' core costs.

Core Costs

4. The Finance Panel has a policy of wherever possible giving institutions prior warning of a reduction in core costs. During the 2004/05 fees round the Panel warned five institutions of a need to cut their core costs if there was not an increase in their numbers. The reduction in overall numbers envisaged in the budget for 2006 is such that significant reductions should be made in the amounts paid to a number of institutions. All of these institutions are separate legal entities but the Finance Panel is conscious of the Church's pastoral and stewardship responsibilities to the staff and students. To cut the core costs solely within one academic year is unlikely to be right and the Finance Panel therefore intends to effect the reduction over two academic years by

- a. clearly identifying in the current 2005 fee round the total reductions to be made in core costs;
- b. providing clearly identifiable additional support for one year by selective use of discretionary allowances and support from an additional £150,000 set aside specifically for this purpose.
- c. not precluding further cuts being made in the 2007 budget if the numbers in colleges continue to fall.

Regional Training Partnerships

5. The budget for 2005 anticipated that some additional funds would be required to meet the formation costs of the Regional Training Partnerships. In preparing the 2005 budget it was assumed that £160,000 outlined in the report would be required in that financial year with a further £80,000 in 2006. The pace of formation of the RTPs has not been as rapid as had been expected and it is unlikely that the whole of this sum will be required in 2005. The 2005 Forecast therefore retains £80,000 (rather than £160,000) with £160,000 being provided in the 2006 budget. The overall sum for both budget years should not exceed £240,000.

CME and Research

6. The proposals in the report *Formation for Ministry in a Learning Church (GS1496)* also expected additional expenditure for 2006 in respect of CME (£612,054) and research (£240,000). These costs were to be funded by a reduction in the number of married candidates in residential training and by savings identified as £276,618 in academic and administrative salaries for 2006. The proposal to reduce the number of married ordinands was rejected by Synod and the *Hind Implementation (GS 1569)* report on CME funding has recommended that these costs should be funded directly by the dioceses. The formation of the Regional Training Partnerships has not progressed as fast as had been anticipated and therefore it has not been possible to identify the expected savings in the budget for 2006. No provision has been made in the 2006 budget for specific research funding as this is to be funded from savings, but it is hoped that by 2007 sufficient funding will have arisen to make this possible.

Curriculum Development

7. Several institutions have indicated that they would like to develop courses to meet the need for Pioneer Missional Leaders identified in the report *Mission shaped Church (GS 1523)* (The Cray Report). Whilst the training of these leaders as ordained and accredited lay ministers would fall within the present scope of Vote 1 the development of specific courses does represent a new initiative for which specific funding needs to be identified. The sum of £100,000 has been specifically identified for this purpose in the 2006 Budget.

2004 Outturn

8. Training expenditure during 2004 totalled £8,742,000, £397,000 below the budget agreed for 2004 of £9,139,000. This under-expenditure has resulted primarily from the large reductions in College core costs made in both the 2003/04 and 2004/05 academic years. Vote 1 as a whole showed a saving of £448,000.

2005 Forecast

9. It is at this stage anticipated that there will be savings against budget in 2005 of approximately £445,000, including deferring to 2006 £80,000 of expenditure on the costs of RTP implementation.

Budget 2006

10. The forecast shows a total budget requirement of £9,512,000 for 2006, representing an increase of 1.0% from the agreed budget for 2005.

Assumptions in 2006 Budget

11. The main assumptions on which the budget is based are as follows:

- Basic inflationary core costs increases will be 3.9% for Colleges and 4.2% for Courses in 2005/06 and estimated 4.0% for Colleges and 4.4% for Courses in 2006/07. These estimates are based upon academic staff salary increases in line with stipend increases for parochial clergy (5.0% from April 2005 and estimated 5.4% from April 2006), non-academic staff salary increases of 4.0% is a result of an above inflationary increase in the minimum wage¹ and RPI inflation of 2.5% for both years. A further small increase has been included in relation to known increases in fuel prices and insurance costs for Colleges and Courses.
- The increase in clergy pension contributions from April 2005 has added £72,000 pa to academic salary costs, thus affecting College and Course core costs.
- Basic variable costs will follow expected RPI inflation of 2.5% in the next two academic years.
- Overall numbers of ordinands attending Colleges, the Regional Courses and the OLM Schemes have been assumed to remain broadly steady in the forthcoming two academic years, although Course numbers are forecast to continue to rise (by an average of 40) and College numbers to fall (by an average of 30). College core costs have been reduced considerably in the last two years. Due to the further fall in College numbers it is anticipated that College core costs will fall in 2006 by £400,000. In the light of the increases in ordinands in Course training, Course core costs will rise by approximately £321,000 in 2006 in relation to essential training expenditure.
- Student allowances increases will follow expected RPI inflation of 2.5%.
- The Church share of the cost of training, taking into account LEA awards and personal contributions, assumed to be fairly stable at around 96.5% for Colleges and 98.0% for Courses.
- University fees increase of estimated £13,000 in 2006.

¹ Many of the staff in this category are low paid and the increase in the national minimum wage is expected to lead to an above inflationary increase in their wages. For other staff there are competitive pressures from other employers in the areas where the institutions are located.

- Pre-theological training expenditure stable - inflationary increase to £13,600 in 2006.
- OLM training expenditure decrease of £25,000 from the 2005 budget to £270,300 in 2006 due to lower numbers in OLM training.
- Mixed-mode training expenditure expected to increase slightly to £36,400 in 2006.
- Costs of the implementation of the Regional Training Partnerships, as per the Hind Report, budgeted as £160,000 in 2006; expenditure of no more than £80,000 now expected in 2005.
- An additional amount of £150,000 has been included to allow for the reduction in college core costs to take place over two academic years.
- £100,000 included in 2006 budget for curriculum development for the training of *Pioneer Missional Leaders*.

Pre-theological training

12. There are currently 16 sponsored ordinands undertaking diocesan pre-theological training courses, and these numbers are expected to remain stable in the forthcoming two academic years. It is anticipated that expenditure in 2005 will be approximately £13,200, increasing by RPI inflation to £13,500 in 2006.

University fees

13. The budget for 2006 includes an estimate of the likely impact of the Government's new legislation concerning "top-up" fees upon the charges made for candidates undertaking University courses during training. Following consultation with the Colleges, our best estimate at this stage is that total fees will rise by £102,000 in the 2006/07 academic year. Total expenditure on University fees in 2006 is estimated to be £305,000.

OLM training

14. The number of diocesan OLM Schemes approved by the House of Bishops has recently fallen from 19 to 18 and no further new Schemes are expected to be developed and given approval in the next two years. The contribution made by the Church Fund for Ministerial Training (CFMT) to each approved Scheme, following the recommendations of the General Synod Report, *Strangers in the Wings*, consists of a basic grant (of £7,495 in 2005) combined with the payment of a per capita sum (of £696 in 2005) for each selected ordinand. Expenditure of £261,600 is now expected in the revised estimate for 2005, £34,000 below the 2005 budget estimate of £295,500. Expenditure of £270,300 on OLM training is expected in 2006.

Mixed mode training

15. There are currently 16 candidates training with the St John's Nottingham Mixed-Mode Scheme. Training with the scheme continues for a further two years after ordination to the diaconate, partly supported by grants from CFMT, and it is this expenditure which is separately identified in the budget. CFMT expenditure in this category will be

approximately £34,700 in 2005 and £36,400 in 2006. The overall costs to CFMT of mixed-mode training and conventional College training are broadly comparable.

Rolling Reserve

16. The rolling reserve exists to meet the fluctuations in costs arising from increases in numbers in training beyond what is provided for in the budget. When the 2005 budget was prepared it was anticipated that, in accordance with the proposals in the report *Formation for Ministry in a Learning Church*, family maintenance of married ordinands in colleges would be met from the Vote 1 budget from October 2005. To provide some flexibility an additional sum of £100,000 was retained within the Rolling Reserve. The July 2004 sessions of the General Synod decided to leave this maintenance as a diocesan responsibility and this amount is no longer required.
17. There was a Vote 1 surplus in 2004 of £487,463. £100,000 has been used to reduce the level of the 2006 Vote 1 apportionment and £573,200 is being repaid to dioceses in 2005. This might be summarised as follows:-

Balance at 1 January 2004	£821,037
Surplus in 2004	£448,200
Less returned to dioceses in 2004	(£196,037)
	£1,073,200
Less ongoing agreed balance for rolling reserve	£400,000
Less amount to be drawn on for 2006 Budget	£100,000
Amount to be returned to dioceses in June 2005	£573,200

Diocesan Pooling Costs

18. Expenditure on diocesan support grants made by dioceses to ordinands in 2004 is currently estimated to be £2,517,662. Expenditure is expected to fall to £2,526,000 in 2005 and £2,563,000 in 2006. The Ministry Finance Panel does however plan to review the level of recommended maintenance grants with dioceses as to whether their current level remains appropriate. The effect of pooling adjustments – to avoid dioceses with large numbers of ordinands being penalised financially – is reflected in the Table of Apportionment later in this document.

2007 Forecast

19. The five year forecast later in this document is predicated on a lower level of savings than previously assumed (£150,000 instead of £265,000) as a result of shared arrangements through the RTPs, with £100,000 of these savings being earmarked for research.

Conclusion

20. The table on the next page gives further details as to how the 2006 Budget has been aggregated. The subsequent page indicates the level of expenditure in 2004 to each Theological College/ Course/ Institution.

Approved Budget 2005		Academic	Projected	Academic	2006	Academic
		Year	Out-turn	Year	Budget	Year
		2004/05	2005	2005/06(est)		2006/07(est)
£	COLLEGES	£	£	£	£	£
3,897,453	College core costs	3,754,200	3,650,300	3,442,600	3,488,200	3,579,500
938,120	College variable costs	848,800	840,100	822,500	829,400	843,100
4,835,573	Total	4,603,000	4,490,400	4,265,100	4,317,600	4,422,600
5,031	Assessment Fees	4,600	4,600	4,500	4,500	4,600
885,437	Allowances	813,200	803,200	783,700	790,500	804,000
5,726,041	Total	5,420,800	5,298,200	5,053,300	5,112,600	5,231,200
(171,781)	Less LEA etc share	(165,600)	(185,400)	(176,900)	(179,000)	(183,100)
5,554,260	Church Share	5,255,200	5,112,800	4,876,400	4,933,600	5,048,100
291,282	University Fees	263,300	258,500	253,800	305,000	356,200
120,751	Long vacation allowance	117,200	117,200	108,000	108,000	110,800
5,966,293	TOTAL COLLEGE	5,635,700	5,488,500	5,238,200	5,346,600	5,515,100
	COURSES					
1,519,443	Course core costs	1,536,200	1,628,900	1,814,200	1,840,800	1,894,000
1,054,622	Course variable costs	1,079,800	1,112,600	1,178,200	1,188,100	1,207,700
2,574,065	Total	2,616,000	2,741,500	2,992,400	3,028,900	3,101,700
5,543	Assessment Fees	5,900	6,100	6,400	6,500	6,600
427,275	Allowances	426,800	439,800	465,800	469,800	478,000
3,006,883	Total	3,048,700	3,187,400	3,464,600	3,505,200	3,586,300
(60,138)	Less LEA etc share	(61,000)	(63,700)	(69,300)	(70,100)	(71,700)
2,946,745	Church Share	2,987,700	3,123,700	3,395,300	3,435,100	3,514,600
295,525	OLM	261,600	261,600	270,300	270,300	278,500
13,241	Pre-theological training	13,100	13,100	13,500	13,600	13,700
3,255,511	TOTAL COURSE	3,262,400	3,398,400	3,679,100	3,719,000	3,806,800
34,436	MIXED-MODE TRAINING	34,200	34,700	35,900	36,400	37,700
-	Additional Core cost support			50,000	150,000	100,000
9,256,240	TOTAL COLLEGE/COURSE	8,932,300	8,921,600	9,003,200	9,252,000	9,459,600
		0	0	0	0	0
-	Curriculum development	-	-	33,000	100,000	67,000
160,000	RTPs Implementation	30,000	80,000	150,000	160,000	60,000
(63,000)	Trust and General Income	(72,000)	(150,000)	145,500	(145,000)	(100,000)
9,353,240	GRAND TOTAL	8,890,300	8,851,600	9,331,700	9,367,000	9,486,600

TRAINING GRANT PAYMENTS FROM CFMT 2004

COLLEGES

	£
Cranmer Hall	541,944
Mirfield	163,875
Oak Hill	459,095
Queen's College, Birmingham	199,844
Ridley Hall	630,155
Ripon College, Cuddesdon	469,224
St John's College, Nottingham	621,945
St Stephen's House	281,567
Trinity College, Bristol	574,408
Westcott House	638,454
Wycliffe Hall	702,895
St Michael's College, Llandaff	45,696
University Fees	259,525
Miscellaneous	37,917
TOTAL COLLEGES	5,626,544

COURSES

Carlisle & Blackburn	77,229
EAMTC	255,574
EMMTC	107,143
NEOC	186,501
NOC	366,304
NTMTC	220,466
SAOMC	282,992
STETS	390,325
SEITE	304,538
SWMTC	160,841
WMMTC	139,997
WEMTC	165,901
Miscellaneous	1,884
Pre-theological training	3,621
Course travel expenses	159,358
TOTAL COURSES	2,822,674

ORDAINED LOCAL MINISTRY SCHEMES

Blackburn OLM Scheme	11,730
Canterbury OLM Scheme	17,154
Carlisle OLM Scheme	8,340
Coventry OLM Scheme	10,374
Gloucester OLM Scheme	9,470
Guildford Diocesan Ministry Course	17,606
Hereford Local Ministry Scheme	8,566
Lichfield OLM Scheme	17,154
Lincoln OLM Scheme	13,538
Liverpool OLM Scheme	10,826
Manchester OLM Scheme	17,154
Newcastle OLM Scheme	13,312
Norwich OLM Scheme	16,482
Oxford OLM Scheme	16,476
St Edmundsbury & Ipswich Scheme	23,934
Salisbury OLM Scheme	14,442
Southwark OLM Scheme	23,708
Wakefield Ministry Course	18,492
TOTAL OLM SCHEMES	268,758

MIXED-MODE TRAINING **24,430**

GRAND TOTAL **8,742,406**

National Support (Vote 2)

Central Secretariat

<u>Secretary General:</u>	William Fittall
<u>Director:</u>	David Williams (Clerk to the Synod)
<u>Number of Staff:</u>	27 Full-time 3 Part-time/part-funded
<u>Budget 2006 (net):</u>	£1,698,361 (including Christian Unity/ Research and Statistics)

Functions

- General Synod support
- Liturgical support
- Dioceses Commission
- Archbishops' Council support
- House of Bishops' support
- Doctrine Commission
- Appointments Committee
- Child protection issues
- Advice on Church Unity issues
- Fostering of ecumenical work nationally
- Central Statistics and Research Resource

Staffing

- Secretary General
- Head of the Central Secretariat/ Clerk to the Synod
- House of Bishops support (2.5 staff)
- 3 Administrative Secretaries
- Worship Development Officer
- Synod Support Unit (2 staff)
- Theological Secretary (part-time)
- Child Protection Officer (part-time)
- 5 support staff

- Head of CCU
- 2.5 senior administrative staff
- 3 support staff

- Head of Research and Statistics
- 5 support staff

The Central Secretariat provides administrative support for the General Synod and its Houses. This is an exacting function with a substantial need for forward planning for sessions at both an administrative and policy level. The Secretariat also services the Archbishops' Council, the House of Bishops, the Liturgical Commission, the Appointments Committee and many other ad hoc and permanent bodies. It also has a co-ordinating role in relation to the work of the Council as a whole. The Council for Christian Unity is a body answerable to the General Synod through the Archbishops' Council. It is responsible for one of the two 'fundamentals' of the Archbishops' Council. It advises the Synod and the Council on unity

issues and fosters ecumenical work in the Church nationally. The Research and Statistics Department provides a central statistics and research resource to the Archbishops' Council.

2006 Budget

- The budget broadly follows expenditure in previous years.
- Substantial areas of work will include the review of the law and practice of certain senior church appointments and continuing work on the review of marriage law. Further work on women on the episcopate may be expected if the Synod agrees to the introduction of legislation.
- The Assembly of the World Council of Churches meets in 2006 and the quinquennial visit of the Meissen delegation to Germany is due to take place.

Ministry

<u>Chair:</u>	The Bishop of Chelmsford
<u>Director:</u>	The Ven. Dr Gordon Kuhrt
<u>Number of Staff:</u>	27.6 (26.6 FTE) and 4 (1.1 FTE) Honorary staff
<u>Budget 2006:</u>	£1,376,400

Functions

- Vocations, recruitment and selection
- Theological education and training
- Deployment, remuneration and conditions of service
- Ministry of and among deaf and disabled people
- Reader Ministry

Staffing

- Head
- Finance and Administrative Secretary
- Deployment, Remuneration and Clergy Service Conditions Secretary
- Senior Selection Secretary plus 4.5 Selection Secretaries (1 also involved with vocations, 1 with CME and 1 with pre-theological education)
- Theological Education and Training Secretary
- Officer for Ministry of and Among Deaf and Disabled People
- Assistant Secretary to DRACS
- Inspections Officer (0.5)
- Grants Officer plus Assistant
- Finance and Statistics Officer and Registry Officer
- Executive Officer DRACS
- 9.6 support staff

Honorary Staff

- Honorary Secretary Central Readers Council
- Associated Honorary Secretary Central Readers Council
- Honorary National Moderator for Reader Training
- Honorary Senior Medical Adviser

There are some 28,500 active and retired clergy, Readers, evangelists and other licensed ministers in the Church of England today. In addition there are nearly 1,400 in training for the ordained ministry and 1,200 in Reader training. The Ministry Division is responsible for their recruitment and selection, for setting the national standards and has both advisory and executive functions.

The Division monitors and validates initial theological training and co-ordinates guidelines on Continuing Ministerial Education for clergy and Readers. It also provides the officer support for the ecumenical inspections of theological colleges courses and schemes. In terms of prospective candidates for ordination, the Division currently runs just under 50 conferences a year involving over 350 selectors. It also administers the budget of £9.3 million for ordination training costs.

The Division's remit extends to Church-wide ministerial strategy including terms and conditions, remuneration, housing, pensions and other aspects of deployment policy. New patterns of ministry, sector and chaplaincy ministry, continuing ministerial education (CME) and advising on ministerial review/appraisal schemes for clergy all form part of the work. The Division also has lead responsibility for recommending policy on stipends, pensions and parochial fees.

Finally, the Division has responsibility for supporting the work of ministry and among deaf and disabled people which also includes the brief for wider disability issues within Church House.

2006 Budget

Increases in the budget are mainly as the result of:

- The costs of implementation of the McClean Report
- The costs associated with the increases in and protection of staff salaries following the benchmarking exercise in 2005.

Education

<u>Chair:</u>	The Bishop of Portsmouth
<u>Director:</u>	The Revd Canon John Hall
<u>Number of Staff:</u>	15 Full-time <i>Note: 5 staff are part-funded by the National Society. The NS itself employs five staff, which are based within the Education Division.</i> <i>1 officer is part funded from fundraising for Church of England Schools</i> <i>1 adviser is part funded by the Methodist Church</i> <i>1 adviser is funded from the DfES grant for youth work</i>
<u>Budget 2006 (net):</u>	£599,662

Functions: The work of the Education Division is undertaken by 3 teams:-

- Life-Long Learning Team: supporting Further and Higher Education institutions and chaplaincy
- School Strategy Team: all aspects of Church schools; religious education for all schools; independent schools; Church colleges
- Training and Development Team: voluntary and continuing education for people involved in work with children and young people, adult education and lay training

Staffing

- Chief Education Officer and executive assistant/support services manager
- Lifelong Learning team comprising Further Education Adviser (part-funded externally) and Higher Education Adviser and one executive assistant
- Schools Strategy team comprising School Development Officer, School Improvement Officer, School Support Officer and one executive assistant
- Training and Development team comprising 2 Youth Advisers, Children's Officer and Lay Discipleship and Shared Ministry Officer and two executive assistants

The Division's wide-ranging responsibilities include influencing the Church to:

- take life-long learning seriously and to work with the Government in the new learning partnerships
- see church schools at the centre of the Church's mission to the nation
- celebrate and nurture the children and young people within its orbit and reach
- grasp the opportunities of ministry and mission in higher and further education.

The staff maintain high levels of communication with the diocesan networks they serve: the Government and its agencies, with ecumenical partners, national organisations of all kinds, and professional and academic bodies. E-mail bulletins are sent weekly to the Division's networks in dioceses and beyond with information about new developments, training, and local and national events. All the Division's staff work closely and interactively with diocesan staff.

Recent initiatives involving Division staff have been: continuing implementation of the Youth Strategy including the inaugural meeting of the Church of England Youth Council and continuing to implement the Children's Strategy in collaboration with the Archbishop's

Officer for Evangelism Amongst Children; discussions with the DfES which will lead to affordable ways of ensuring the complete rebuild/refurbishment of all Church of England secondary schools and much more securely planned programmes for capital expenditure on primary schools; and a comprehensive audit of chaplaincy provision in FE colleges and working towards a debate on the values and purposes of Higher Education at General Synod in 2005.

The National Society continues to work very closely in partnership with the Education Division and supports the training of diocesan staff and inspectors to carry out Statutory Anglican School Inspections.

2006 Budget

- Staffing remained stable throughout 2004, but two executive assistants have recently been replaced. The executive assistants continue to provide valuable support to the three teams enabling the officers to spend more time away from the office supporting their networks.
- It is hoped to further reduce the costs of travel to meetings by rescheduling start times and to offset rising accommodation costs for residential meetings by continued saving in postage, phone and stationery costs and the 2006 budget reflects this. However, changes in accounting practices have meant that any unspent income from meetings which in past years has been rolled over and used to subsidise the cost of speakers, resources and accommodation for conferences and meetings is no longer available, and £6,600 to fund some new and continuing work has been included in the budget.
- The youth work grant from the Department for Education and Skills for the year 2005-6 will be £137,033. Part of this grant funding will be used to support the work undertaken by the two youth advisers (to the equivalent of the salary of 1 adviser). The balance of the grant funds youth projects, often innovative, within dioceses, in partnership with the Church Urban Fund and CMEAC.
- The Methodist Church contributes the full half-share of the costs of the FE Adviser post and 25% of the support staff cost. The School Improvement Officer post is part-funded from the Fundraising for Church schools, to which a significant amount of staff time is being devoted.

Mission and Public Affairs

<u>Chair:</u>	Dr Philip Giddings
<u>Director:</u>	John Clark
<u>Number of Staff:</u>	24 Full-time 3 Part - time
<u>Budget 2006 (net)</u>	£1,130,384

The Division came into existence on 1 January 2003. It drew together work formally undertaken by the Boards of Mission and Social Responsibility, the Hospital Chaplaincies Council and the Committee for Minority Ethnic Anglican Concerns. Details of the wide range of work covered are set out in the Archbishops' Council's report for 2004.

Functions

Under the oversight of the Mission and Public Affairs Council, the staff of the division are responsible for the national dimension of the Church of England's work in the following areas:

- The Church's engagement with social, political, environmental issues and work for justice and peace at local, national and international levels;
- Mission and evangelism; the Church of England's responsibilities for world mission and development; inter faith relations; and theological and missiological reflection on them;
- The Church's mission and ministry (in liaison with Ministry Division) in urban and rural areas;
- The Church's responsibility to confront the reality of racism in its own life and in society;
- The support of minority ethnic Christians in the Church of England, and their contribution to its life and witness;
- The work of Hospital Chaplaincy and the Church's relation to the Department of Health, the National Health Service and Trusts and the provision of professional training and Continuing Professional Education for Chaplains.

In carrying this work out their responsibilities include

- advising the Archbishops' Council, the General Synod and the House of Bishops on matters within the Council's remit;
- working with dioceses, the numerous relevant diocesan networks and the Church's voluntary societies involved in work in England and internationally;
- relating to and co-operating with appropriate bodies within the churches of Britain and Ireland and ecumenical instruments of CTBI and CTE and their forums and Commissions;
- taking the lead in relating to other Churches of the Anglican Communion and the Anglican Consultative Council, its Commissions and Networks, on issues relating to the Church's mission and role in public life;
- relating to Government departments and voluntary bodies relevant to its work.

Staffing

- The **Director**
- **Community and Public Affairs Team** comprising the Adviser for Minority Ethnic Anglican Concerns; Adviser for Marriage and Family Policy; Urban Affairs Adviser; Science, Technology Medical Ethics and Environmental Issues Adviser; International Relations Adviser; Home Affairs Adviser.

- **Mission Team** comprising National Evangelism Adviser, Mission Theology Adviser; Partnership for World Mission Secretary (part-funded by mission agencies); Inter Faith Relations Adviser (part-funded by CTBI); National Rural Officer (part-funded); Archbishop's Officer for Evangelism Among Children (externally funded).
- **Hospital Chaplaincy Team**, consisting of the Chief Executive, the Administrator, Assistant Training Officer/ Web Mistress and part-time Assistant.
- **Administrative and support staff/** projects assistance – 9 posts

2006 Budget

- A new joint post will be established in 2005 for inter-faith work, jointly-funded by Lambeth Palace and the MPA Division.
- The post of Archbishop's Officer for Evangelism amongst children was a five-year initiative and will end on the retirement of the current post-holder in 2006.
- Non-staff costs include limited provision for buying in external advice on racial justice and economic policy issues and other projects assistance, which are best provided this way rather than employing part-time permanent members of staff.

Cathedral and Church Buildings

<u>Chair:</u>	The Bishop of London
<u>Director:</u>	Paula Griffiths
<u>Number of Staff:</u>	17 full-time posts (2 externally funded posts, one currently vacant). Two additional part-time volunteers
<u>Budget 2006 (net):</u>	£664,611

Functions

- Co-ordinating the work of Diocesan Advisory Committees (DACs)
- Advising on the use, care, planning or design of places of worship
- Liaising with Government Departments and other relevant bodies
- Providing diocesan pastoral committees with detailed reports on the architectural and historic qualities of churches likely to be declared redundant, and specialist advice to Diocesan Chancellors and DACs
- Administering funds for the conservation of church fabric, furnishings and art
- Giving advice and guidance on plans and problems affecting the fabric, furnishings, fittings and precincts of cathedrals
- Regulatory powers under the Care of Cathedrals Measure
- Co-ordinating national Church policy in respect of its ecclesiastical buildings
- Supporting the National Aerials Arrangements

Staffing

- Head, Deputy Head, Policy Officer and personal secretary
- Cathedrals section comprising 2 staff
- Casework & Law section comprising 3 staff
- Conservation section comprising 3 staff
- Education Officer (vacant: only to be filled if external funding agreed)
- 2 research/resource assistants (1 externally-funded)
- 2 telecommunications office posts to facilitate the aerials project (funded from the Approved Installer).

The Church has an inheritance of some 16,000 churches, ancient and modern and still in use for the purpose for which they were designed. They bear witness to generations of faith and offer a countrywide network from which to further mission in every community.

The Cathedral & Church Buildings Division (CCB) supports the work of the Council for the Care of Churches (CCC), the Cathedrals Fabric Commission (CFCE) and the Church Heritage Forum (CHF). The drawing together of the two member level bodies (and cuts elsewhere) has generated considerable new policy work on behalf of the wider Church in respect of the ecclesiastical built heritage.

The CCB has major responsibilities in relation to Government and its agencies e.g. concerning the ecclesiastical exemption (currently under review). The CCC directly supports parishes and dioceses, dealing with statutory casework under the Faculty Jurisdiction and Pastoral Measure and offering free advice on every aspect of the care of the church building, its contents and its churchyard, from the basic concerns of security and drainage to complex conservation. It has also been actively involved, alongside Finance and the Churches Main Committee, in addressing the issue of VAT on repairs to church buildings.

Of particular value to parishes, the CCC gathers and distributes grants for the contents of churches from bells and organs to stained glass, monuments and textiles, and publishes straightforward guidance on the most effective ways of looking after churches and churchyards. CCC also operates a grants scheme to assist parishes to undertake conservation work to historic furnishings and fittings. The scheme is almost wholly funded from block grants given by charitable trusts. Negotiations are in hand with the Heritage Lottery Fund to establish payments for CCC advice on a scheme of grants for church conservation projects. The Council also has a publicly available library and archive on the art and history of our churches.

The CFCE is statutory. It oversees the operation of the legislative system for the care of cathedrals. It seeks to ensure the cathedrals are supported by authoritative advice on care, conservation, repair and development. It promotes co-operation between all heritage and planning bodies interested in cathedrals and encourages educational and research projects designed to ensure that the value of cathedrals is acknowledged and treasured.

As required by the legislation, the CFCE handles a large number of applications for works to cathedrals by deans and chapters taking into account both the conservation requirements and the place of the cathedral as a centre of worship and mission. It also oversees how the system for the care of cathedrals works, producing a series of Guidance and Advisory notes, as well as advising on archaeology, organs, contents and the environment around cathedrals.

2006 Budget

- Higher than inflationary provision has been made for CCC Members' and Staff Expenses reflecting significant increases in parish and diocesan referrals for the Council's advice, for example on the development and wider use of church buildings.
- The Education Officer post will only be filled if external funding is in place. Preparation of a bid to grant-makers was delayed pending the recommendations of the Church Building Strategy exercise, set out in *Building Faith in our Future*, but is now in hand.

Finance

<u>Chair:</u>	Michael Chamberlain
<u>Director:</u>	Gill Laver
<u>Head:</u>	Mark Humphriss (Financial Policy) Robin Stevens (Stewardship – to July 2005) John Preston (Stewardship & Resources – from September 2005)
<u>Number of Staff:</u>	11 Full-time 3 Part-time/ part-funded <i>Note: Additionally, 15 staff (inc. 2 part-time) in Clergy Pay are managed on behalf of Church Commissioners.</i>
<u>Budget 2006 (net):</u>	£554,804

Functions

- Financial policy advice
- Preparation and monitoring of the Council's budgets
- Long-term financial planning and overview of the Church's finances
- Stewardship and fund-releasing
- *Crockford* directory and database
- Allocation of stipend support
- Administration of Central Church Fund
- Oversight of Clergy Payments (on behalf of the Church Commissioners)
- Oversight of common services

Staffing

- Director of Finance and Central Services
- Head of Financial Policy Unit, Management Accountant plus 3 staff
- Stewardship and Resources Officer
- Common services executive assistant (part-time)
- 3 secretarial and support staff (1 shared with Accounts)
- 3 *Crockford* staff (1 part-time)

The Division exists to serve the Council and the wider Church in administering and planning its finances in the most efficient, effective and economical way. It has various co-ordinating roles in relation to the Church as a whole, which it exercises through the Inter-Diocesan Finance Forum and Consultative Group of DBF Chairmen and Secretaries.

The division supports the Finance Committee and three sub-committees covering Stewardship; Investment Management (in conjunction with CCLA Ltd); and the Central Church Fund (which administers grants to parish-based projects). It also provides staff representation when financial input is required, including the Ministry Division's Finance Panel, the Church Colleges Advisory Group and the Publishing Board. The Director also has direct responsibility for Accounts, Internal Audit, Publishing/ Bookshop, IT and Office Services.

The Crockfords section works closely alongside the Publishing section in maintaining and developing the online (available on subscription) as well as the biennial book edition of the Clerical Directory.

2006 Budget

- Provision is made for a Stewardship and Resources Officer on the retirement of the National Stewardship Officer in July 2005.
- The other national Church institutions contribute to the cost of time spent in the management of common services.
- The audit fee paid by the Council (which is met from this budget) was rebased to a significantly higher level in 2004.

Accounts & Finance Project

<u>Head Accounts:</u>	Paul Burrage
<u>Project Manager:</u>	Paul Tibbins
<u>Number of staff:</u>	26.5 Accounts, 5 Payroll, 3 Project (funded separately)
<u>Budget 2006 (net):</u>	£272,262

Functions

- General accounting services including processing of receipts and payments, cash management and maintaining accounting records.
- Direct and indirect tax advice and administration.
- Payroll services for NCI and episcopal staff and pensioners, Pensions Board homes' staff and clergy widows and church workers.
- Preparing the Archbishops' Council and Church Commissioners' group financial statements (plus Pensions Board when timetabled for transfer to department).
- Asset accounting services for the Church Commissioners.
- Administering loans and mortgages
- Administering trust funds.

Staffing

- Chief Accountant
- 13.1 general accounts staff (one part time)
- VAT Officer and Property Tax Manager
- 5 payroll staff
- 6.5 asset accounting staff
- 3.9 support staff including financial accountant, support accountant, company secretary, special projects officer (until May 06) and administrative support.
- Project team of 3 for implementation of new finance system

The Accounts department seeks to provide an efficient and cost effective accounting service to the NCIs. General accounting services, such as the processing of receipts and payments and maintaining accounting records are provided to all NCIs. Other accounting services are specific to a particular NCI or user department.

So that the department can provide a pan NCI service, the accounting systems currently being used are being replaced by a single finance system which will meet current requirements and be flexible enough to accommodate future developments. The new system has now been selected and work is underway on planning its implementation. The new system will be operational in 2006. Work on standardising processes and procedures across the NCIs will continue, including tendering for a single banking provider.

Additional costs are currently arising due to the need to buy in additional temporary assistance until the new structures are fully implemented.

Internal Audit

<u>Head:</u>	Kim Parry
<u>Number of Staff:</u>	5 Full-time
<u>Budget 2006 (net):</u>	£71,170

Functions

- independent, objective assurance on governance, risk management and internal control
- consultancy, advocacy and advice to management
- management of the risk identification and mitigation reporting processes
- secretariat to the audit committee

Staffing

- Head of Internal Audit
- Senior Internal Audit Executive
- 3 Internal Auditors

Internal auditing is established as a service for the Church of England. Its principal customers are the Church Commissioners, the Church of England Pensions Board, the Archbishops' Council, including the common services provided to all the NCIs and several diocesan

offices. The Internal Auditing Department's primary responsibility is to provide each audit committee (or equivalent body in dioceses) with independent assurance on the organisation's framework of corporate governance, risk management and internal control. It helps each organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The department applies a risk based approach focussing on whether the organisation's risk has been managed effectively and that the organisation's goals and objectives will be achieved efficiently and economically. Generic advice on governance and risk management is available to dioceses and mission agencies from the department. The department seeks opportunities to increase the efficiency of its own operations by improving its working practices and utilising specialist ICT applications.

2006 Budget

- The budget assumes a level of service agreed with the chairmen of the NCI audit committees and diocesan offices participating in the new service provided from 2005 within a framework agreement.

Legal Office

<u>Director:</u>	Stephen Slack
<u>Number of Staff:</u>	25 full-time; 3 part-time (1 proposed new post)
<u>Budget 2006 (net):</u>	£ 612,498

Functions

- Legal advice and support to General Synod, Archbishops' Council, Church Commissioners and Church of England Pensions Board
- Church Legislation (in conjunction with Standing Counsel)
- Clergy Discipline Commission
- Legal Advisory Commission
- Legal Aid Commission
- Ecclesiastical Law
- Conveyancing and Property Law (corporate and ecclesiastical)
- Corporate and company law advice
- Employment and pensions law advice
- Legal advice in relation to Pastoral re-organisation

Staffing

- Head of Legal Office/Legal Adviser to Archbishops' Council and General Synod
- Deputy Head (Professional)/Official Solicitor to Church Commissioners
- Deputy Head (Operations)
- Assistant Legal Adviser to the General Synod
- Standing Counsel to the General Synod
- Clergy Discipline 'Designated Officer' (Barrister)
- 10 Solicitors (incl. Deputy Official Solicitor) plus proposed new post

- 7 Legal Executives
- 5 secretarial and support staff

The Legal Office provides legal services and support to all the national Church institutions. In terms of volume of business, the greatest user of the Legal Office is the Church Commissioners. Most of the staff in the Legal Office undertake conveyancing in relation to the Commissioners' substantial property assets and (for the Pensions Board) the sale and purchase of properties occupied by the Pensions Board's beneficiaries.

The Legal Office also deals with ecclesiastical law, the preparation of Church legislation (in conjunction with Standing Counsel), legal advice and support to the Church Commissioners, General Synod and the Archbishops' Council (increasingly as regards the impact of Government legislation on the Church), and it provides the secretariat for the Synod's Clergy Discipline, Legal Advisory and Legal Aid Commissions and the Ecclesiastical Rules Committee.

In addition to these specialist areas of work, the Legal Office provides legal advice across a wider range of legal issues of the kind to which any large organisation may be exposed.

2006 Budget

- 2006 will see a requirement to provide legal services, and to service Steering and Revision Committees where necessary, for Church legislation to give effect to the recommendations of the Review of the Pastoral and Dioceses Measures and the Review of Clergy Terms and Conditions of Service.
- Substantial work will also be required in relation to the implementation of the Clergy Discipline Measure (including the provision of further training for those with responsibilities under the Measure and the conduct of the first investigations and tribunal hearings under the Measure); and the implementation of the non-legislative recommendations of the Review of Clergy Terms of Service.
- In view of the very heavy load falling on the Synod team, particularly due to Government legislation, additional resource has been factored into the 2006 Budget.

Communications

<u>Director:</u>	Peter Crumpler
<u>Number of Staff:</u>	10 Full-time
<u>Budget 2006 (net):</u>	£454,428

Functions

- Press and broadcast relations
- Media training and communications development for the whole Church
- Co-ordination of external communications work for the National Church Institutions
- Internal communications within the NCIs
- Monitors and contributes to the development of Broadcasting Policy
- Public enquiries

Staffing

- Director of Communications
- 3 Press Officers and 1 Assistant Press Officer
- 2 Training staff
- Internal Communications
- Enquiry Officer
- 1 administrative/secretarial support staff

The Communications Unit is responsible for external and internal communications and promotion for the Archbishops' Council, General Synod and Church Commissioners, and advises other central Church bodies, including the Pensions Board. It operates 24 hours a day, 365 days a year and is at the service of the whole Church at any time.

Following the Communications Review carried out by PR consultant David Kenning, the Archbishops' Council agreed that a new Communications Director should be recruited. Peter Crumpler was appointed as director in May 2004.

The Archbishops' Council and Church Commissioners have since endorsed taking forward Kenning's recommendations by developing 'Mission-shaped Communications', based on making the Unit's operations mission-orientated, professional, proactive and integrated.

For the Archbishops' Council, the Unit's task is to communicate the Council's vision, work with the media, build communications into the planning and execution of all the Council's activities and empower and encourage staff at all levels to communicate the Church's messages well.

Recent initiatives have included the relaunch of the Church of England's website; the launch of 'In Review,' a twice-yearly report from the NCIs published in the church press and on the web; a monthly Communications Update which is distributed widely across the Church; forming partnerships with other Christian communicators; and a more proactive approach to media liaison. The daily media monitoring has been outsourced to facilitate greater in-house focus on proactive communications activities.

2006 Budget

- During the year, the Unit will continue to take forward the 'Mission-shaped Communications' initiative, devoting resources to providing an increasingly proactive media service, and identifying new means of communicating the Church's mission including digitally.
- The Unit will take forward initiatives such as the further development of the new website; the twice-yearly 'In Review' publication that gives news of the NCIs; and a monthly communications update distributed across the C of E.
- Because of the move out of Church House, the Unit's Training operation will be hosting courses in other parts of London and further afield. Income derived from hiring out the Church House studio facilities will be lost as a result.
- The Unit will be increasing the co-ordination and support for the work of the diocesan communicators, and developing the Unit's work on ensuring the Church's voice is heard on key broadcasting policy issues.

Human Resources

<u>Director:</u>	Su Morgan
<u>Number of Staff:</u>	9.1 Full-time equivalent
<u>Budget 2006 (net):</u>	£264,080

Functions

- Development of a diverse workforce and a fair and just workplace
- Creation of a working environment where learning and development is actively pursued, staff have role clarity and career pathways are well defined
- Establishment of a 'partnership' culture between employers, staff and trade unions through effective consultation and negotiation mechanisms
- Promotion of joint employer initiatives and better cultural alignment between the NCIs
- Optimum deployment of staff through strategic resourcing, reward and HR information systems
- Introduction of occupational health and welfare services

Staffing

- Director of HR
- 2 HR Managers
- HR Adviser
- Recruitment Manager and Adviser (funds outsourced service – currently under review as contract period ended)
- HR and IT Information Adviser
- Health and Safety Adviser (part-time)
- 2 interim HR Advisers (1 part-time)

The Human Resources (HR) function guides, advises and supports the National Church Institutions (NCIs) in all strategic people management matters and provides operational HR support uniformly to all of the NCIs so as to proactively aid them in their work for the Church.

2006 Budget

- The 2006 Budget provides for the two interim posts dedicated to implementation of the Review of Clergy Terms and Conditions of Service (half-funded by the Church Commissioners) and for a modest provision for job evaluation consultancy and assistance towards the payment of market related additions to specialist professional posts.

Information Technology

<u>Head:</u>	John Ferguson
<u>Number of staff:</u>	19 Full-time
<u>Budget 2006 (net):</u>	£400,989

Functions

- Systems development
- Programming
- Software maintenance
- Technical support
- IT consultancy services to wider Church

Staffing

- IT Manager
- Deputy IT Manager
- 8 Technical & IT Support
- 5 Analyst Programmers & Systems Analysts
- 2 IT Trainers (1 part time)
- IT Financial Support
- Computer Control

The department provides a comprehensive range of IT services to the national Church institutions including the Archbishops' Council. This includes technical support on any software or hardware issue and assistance with the development and/ or implementation of IT systems. Several of the current IT systems in use across the national bodies have been written, and are maintained and updated, by the IT department. Examples of this are the Clergy Payments System that pays all the clergy on the central payroll and pensioners and the CHARM system for Clergy Pensioners' Housing.

The department has created, updates and maintains, an intranet for use within the national Church institutions and also a diocesan intranet through which information and documents are made available to dioceses and which provides a forum for dioceses to share issues with each other.

Work underway includes the introduction of a common accounting package across the NCIs and substantial rewriting of the various departmental core systems to interface with the new package will be required.

2006 Budget

- The budget reflects the maintenance of a warm disaster recovery site at Bermondsey and the introduction of a new NCI accounting package.

Records

<u>Head:</u>	Philip Gale (Acting)
<u>Number of Staff:</u>	8 full-time
<u>Budget 2006 (net):</u>	£ 90,095

Functions

- Records management services for the administrative records of the NCIs - low-cost off-site storage, efficient retrieval and controlled disposal
- Advice to departments and dioceses on record keeping and filing systems
- Title research for glebe property on behalf 43 Anglican dioceses in England
- Public access to historical archives through the reading room at Lambeth Palace Library
- Answering public enquiries concerning the archives of the NCIs
- Conservation of the archival material through commercial rebinding and through the conservation studio at Lambeth Palace Library

Staffing

- Director (vacant pending the outcome of the Documentary Heritage Review)
- 4 Archivists including the Acting Director
- Workflow Coordinator and Site Manager
- 2 Customer Services (plus 1 Temporary Assistant until 30 September 2005)

The Record Centre provides a record management service for both semi-current and archive material belonging to the Archbishops' Council, as well as other bodies within and beyond the national Church institutions. The Council now holds most of its semi-current material at the Record Centre, located in a warehouse at Bermondsey, to maximise use of lower-cost storage. Deeds and other materials are also stored at the Record Centre and advice and support is provided to departments on record management. Important subsidiary roles include providing research access to the historical records of the NCIs through the reading room at Lambeth Palace Library, answering public enquiries concerning the archives of the NCIs and providing a title research service for many of the 43 Anglican diocesan registries in England.

The Record Centre is subject to the Documentary Heritage Review which has recently been undertaken by the Church Commissioners which has recommended the appointment of a Director of Information and Library Services.

2006 Budget

- The budget accommodates provision for a 40% share of the proposed new post of Director level recommended in the Documentary Heritage Review to be borne on this budget.
- The staffing levels of the Records Centre have been reduced 18 in 2001 to 8 in 2005.

Church House Publishing

<u>Head:</u>	Alan Mitchell		
<u>Number of Staff:</u>	8 full-time	5 part-time	
<u>Budget 2005 :</u>	Sales	£995,000	
	Trading deficit	£4,925	
	Net deficit	£34,925	(after AC service functions)

Functions

- Official publisher to the Archbishops' Council and General Synod
- Publishing *Crockford* and the *Church of England Year Book*
- Liturgical publishing (including Common Worship)
- Publishing reports commissioned by General Synod
- Publishing material to support the work and mission of the Church

Staffing

- Publishing Manager (part-time)
- New Media Manager plus Assistant
- Books Commissioning Editor
- Editorial Manager (part-time) plus Editor and Designer
- Production Manager (part-time) plus Production Editor (part-time)
- Marketing Manager (part-time) plus Sales and Marketing Executive
- Sales Manager plus Assistant Sales Manager

Church House Publishing's profile and reputation in the Church and the book trade continue to rise. Almost all publications from the national Church institutions are published by CHP and are marketed both via the book trade, in the UK and overseas, and via direct mail to clergy and lay leaders. The department also generates income for the Archbishops' Council by selling its services to other Churches and organisations, including the Methodist Church, CTBI and Fresh Expressions.

Church House Publishing is a trading name of the Archbishops' Council and trading accounts are prepared and reviewed regularly by staff and the Publishing Board.

2006 Budget

- As a small publisher, CHP's turnover (and profit) is heavily influenced by the schedule of publication of new titles. For example in Crockford years (published biennially in 2005, 2007 etc) CHP achieves higher turnover and profit than in non-Crockford years (2006, 2008). The launch of www.crockford.co.uk on a rolling subscription basis will help to mitigate this. To achieve a breakeven position on the trading account over a two-year cycle it is therefore appropriate to budget for a surplus in 2005 and a matching deficit in 2006. The 2005 forecast is for a trading surplus of £57,350; the budget for 2006 is for a trading deficit of £4,925.

- CHP budgeted sales for 2006 are £995,000 (16% up on 2004, the previous non-Crockford year). The final volumes in the Common Worship series should be released during 2006. Direct marketing and selling to our niche market (rather than selling through retailers and wholesalers) will be increased as we achieve a higher profit margin on these sales.
- Conservative estimates have been made on royalty income and income generation (fees received for work undertaken for external organisations) based on the (disappointing) 2004 outturn.
- A staffing restructuring has enabled us to reduce the staff team by 3.6 fte to 12.3 fte to reflect a reduction of work undertaken for external organisations. There is a risk attached to the reduction in critical mass and fewer staff will mean a reduced output of new titles. Tougher criteria will be adopted on the selection of publications and the focus will be on those that not only are the most important strategic publications for the mission of the Church but that also can generate a satisfactory return.
- The staff of the publishing department also undertakes work for other AC departments that is not aimed at generating sales income on the trading account (for example on the production of free literature). Staff time is not charged out but is estimated at £30,000.

Church House Bookshop

<u>Head:</u>	Mark Clifford
<u>Number of Staff:</u>	8 full-time
<u>Budget 2006:</u>	Zero

Functions

- Stocks unique range of Church House Publishing and General Synod titles
- Stocks a comprehensive product range of religious books from all leading UK publishers, and is known in the trade for its range of academic theology
- Large mail-order department and internet bookshop

2005 Staffing

- Retail Co-ordinator (Manager)
- Bookshop Manager
- 2 Bookshop Sales Advisers
- Mail Order and Web Manager
- 2 Mail-order Sales Advisers plus Postal Administrator

The reputation of Church House Bookshop is significant and is a resource that continues to be appreciated. However, the Archbishops' Council has concluded that it is not fundamental to its purpose and has in recent years represented a net cost and risk to the Council. The Council is currently in discussions with potential purchasers with a view to selling Church House Bookshop as a going concern during 2005 and so no provision has been made in the 2006 Budget for it.

Office Services

<u>Head:</u>	John Ferguson
<u>Number of Staff:</u>	19 Full-time
<u>Budget 2006 (net):</u>	£327,353

Functions

- Mapping
- Messengers *
- Security *
- Telephone System Management
- Insurance
- Staff Restaurant
- Xerox & Printing
- Telephonists/reception
- Office supplies

** Provided via the Corporation of Church House in relation to Church House*

Staffing

- 2 Office Services Site Managers (1 Church House, 1 Millbank)
- 3 Office Services staff
- 3 Mapping staff
- 4 Reprographics staff
- 2 Telephonists/Reception
- Postal Supervisor
- Van Driver/ Messenger
- 3 Messengers

Office Services continues to provide central photocopying facilities ensuring that most copying is done economically, in-house. There are 2 units, one at Church House, the other at Millbank. The telephone system covers all the London-based NCIs with a general switchboard at Millbank. The mapping department remain heavily involved with the Church Commissioners' property terrier project to record and register electronically the rural and agricultural portfolio.

2006 Budget

- It has been possible to set a 2006 Budget lower than for 2005 due to lower insurance and (following the purchase of a new van) van running costs.
- Provision has been made for increases in Fidelity Guarantee/Corporate Crime insurance premiums following our request to AON for a quotation for a new NCI-wide policy. Discussion still needs to take place on initial proposals but early indications are that cost increases will be modest.
- 2006 budgets for in-house services (e.g. Meeting Room Steward) are set on the assumption that these services will be required wherever the Council is based during the refurbishment work at Church House.

Accommodation

Budget 2006 (net)	£1,816,077
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The Archbishops' Council pays rent and service charge to the Corporation of Church House in respect of the area it occupies. Although the Council will not be occupying Church House for most of 2006, it will still pay the same level of rent to the Corporation of Church House, which is financing the major part of the works required. This project will involve all staff moving out of Church House while the building is closed for refurbishment for a year from February 2006, at the end of which they will move back. Staff currently based at 1 Millbank will also move to Church House, releasing significant funds for the Church's work from the sale or lease of 1 Millbank.

The Council also shares with other bodies the costs of the Record Centre building, including rent to the Church Commissioners (as landlord), which reflects the cost of substantial improvement works to the building completed in 2004. In addition, but separate from the budget, contributions are made annually to sinking funds for future internal and external repairs direct from reserves.

2006 Budget

- Prices for gas, and to a lesser extent electricity, have risen sharply over the last 12 months but we only face these later this year after previously signing much cheaper 2 year contracts. We have been advised to negotiate further longer term deals, as prices are expected to continue to rise until 2008, and the 2006 energy budgets are set accordingly.
- The budget allows for the Council's 2006 share of the tenants' costs as part of the refurbishment.

Grants (Vote 3)

<u>Budget 2006:</u>	£1,416,500
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1. This budget encompasses national Church of England contributions to Anglican Communion and Ecumenical activities and other miscellaneous grants.
2. The Inter Anglican Budget meets the Church of England's contribution towards the Anglican Communion Office (which also provides the Secretariat for the Lambeth Conference, the Anglican Consultative Council and the Primates meetings).
3. The Church of England actively supports, both financially and through involvement in their activities, Churches Together in Britain and Ireland (CTBI) and Churches Together in England (CTE), the Conference of European Churches (CEC) and the World Council of Churches (WCC).
4. The Church of England asked in 2000 for an overall review of its contributions to CTBI and CTE and this resulted in an agreement that we may almost freeze our contributions to both bodies until 2006. The amount due to both CTE and CTBI (including its Commissions, other than CCOM, which continues to be paid separately) is now paid over as a single figure to CTBI under the agreed principle of consolidated subscriptions.
5. Certain PWM mission agencies have in the past paid to CCOM, through the Council as part of the overall Church of England contribution, an amount equivalent to that provided from this budget. One of the largest contributors has given notice that from 2005 it will no longer be able to contribute at the same level due its own financial position. For 2005 and 2006 the Council will maintain its own contribution level to CCOM (a 3% increase is provided for). The future position for CTBI/ CTE subscriptions (including CCOM) beyond 2006 needs to be separately negotiated in the light of the current wide-ranging 'ecumenical architecture' review.
6. The Archbishops' Council decided in 2004 that its contributions to the WCC should be frozen for the foreseeable future for a number of reasons. It is proposed that, for other grants, there should be an underlying increase of 3% over the 2005 level, having kept all grants frozen in 2003-4.
7. National support through this budget is provided towards the administrative costs of the Church Urban Fund (CUF). A request from CUF for additional central support has been considered separately but an increase of 3% is provided for in the level of the Council's grant from Vote 3 (which will form part of the requested higher level of support for a limited period).
8. The most significant factor explaining the increase in Vote 3 concerns the Legal Aid Fund. Having not needed to make provision for some years as there had been few cases drawing on it, 2003 expenditure extinguished the balance within the Fund and further significant expenditure is expected in 2005. The Synod is required by Measure to maintain a Legal Aid Fund, which is held by the CBF on its behalf, to meet the cost of ecclesiastical legal aid awarded by the Legal Aid Commission. The legislation on this was thoroughly reviewed in the 1990s, and now applies only to legal costs of defendants in clergy discipline cases and to a very few other comparable ecclesiastical proceedings. In deciding whether and if so how far to award financial assistance with such costs out of the Fund, the Legal Aid Commission (whose members are appointed

by the Appointments Committee) must consider the means of the individual concerned, whether he or she has reasonable grounds for contesting the proceedings, and all the circumstances of the case but the Commission cannot withhold legal aid on the grounds that there are insufficient funds within the Fund.

9. The Church Commissioners are empowered by Measure to contribute to the Legal Aid Fund and have hitherto paid 50% of the costs arising. The Commissioners' Board, however, decided in February 2005 that they needed to withdraw this assistance and would be doing so on a phased basis, paying 33% of the costs in 2007 and 16% in 2008 and none thereafter. Moreover, the implementation of the Clergy Discipline Measure from the start of 2006 is expected to lead to significantly increased demand on the Legal Aid Fund (probably of the order of £250,000 pa at the very least). For all these reasons, the balance within the Fund is being built up, by crediting to it any Vote 3 surpluses and by increasing the budget provision for 2006 to £150,000.
10. The Church Commissioners have been advised that they can no longer legally fund modest grant schemes covering the costs of clergy who are between posts and the additional removal costs of clergy moving to or from the Channel Islands or the Isle of Wight. As these schemes are greatly valued, they form part of this budget from 2005. As the actual expenditure in 2004 was over £30,000 (it has typically been below £20,000, hence the level of the 2005 budget provision) a budget of £30,000 has been allowed for 2006.
11. It has been agreed that the Church of England will provide a total of £55,000 towards the next WCC Assembly (half what we provided for the last Assembly). £20,000 of this sum is payable in 2005 and the balance of £35,000 will be payable in 2006. The expenses of representatives budget has been set at a higher level for 2006 due to known scheduled events which draw on it, but this should reduce again in subsequent years.
12. The effect of these changes is a budget for 2006 showing a 11.4% increase in the level of apportionment over 2005.

The detailed analysis is as follows:-

	Actual 2004 £	Budget 2005 £	Budget 2006 £
Anglican Communion Activities			
Inter Anglican Budget	359,700	370,500	381,600
Lambeth Conference – Provision	–	–	–
	<hr/> 359,700	<hr/> 370,500	<hr/> 381,600
Ecumenical Activities			
Churches Together in Britain and Ireland	381,000	382,250	383,000
Churches Commission on Mission	34,600	35,600	36,700
World Council of Churches	108,000	108,000	108,000
WCC Assembly	–	20,000	35,000
Conference of European Churches	72,100	74,300	76,500
Expenses of representatives	6,579	22,000	30,000
	<hr/> 602,279	<hr/> 642,150	<hr/> 669,200
Miscellaneous			
Church Urban Fund	181,250	180,250	185,700
Legal Aid Fund	36,233	50,000	150,000
Minor Grant Schemes	–	20,000	30,000
Contingency	–	8,950	–
	<hr/> 217,483	<hr/> 259,200	<hr/> 365,700
TOTAL	1,194,229	1,271,850	1,416,500

Inter-Diocesan Support – Mission Agencies (Vote 4)

1. The basic philosophy underlying the (Clergy) Pensions Measure is that all costs in respect of pensionable service from the beginning of 1998 should be met by the bodies responsible for paying the stipend. The Church Commissioners had previously covered the pensionable service in respect of those clergy ‘employed’ by the Mission Agencies under discretionary ‘free agreements’ and it was planned that the Mission Agencies, like other ‘responsible bodies’ (as defined by the Pensions Measure), would become responsible for making pension contributions for clergy in their employment after 1 January 1998 on the same basis as for all other stipendiary clergy. However, at the November 1996 Sessions, an amendment was successfully moved whereby Synod made the Church Commissioners responsible for paying the pension contributions under the future service scheme of “clerks in Holy Orders employed by a World Mission Agency ... which is ... an associate or full member of the Partnership for World Mission; or a clerk in Holy Orders employed by the Church Pastoral Aid Society” (Section 4(4)(e) of the Pensions Measure, 1997).
2. In addition to making an exception to the normal funding arrangements, one practical consequence of this amendment was that it would reduce the amount available for allocation from the Church Commissioners, (in due course through the Archbishops’ Council), in the form of stipend assistance to the dioceses most in need of financial support. In the light of this, it was agreed that the most appropriate way forward would be for the payment of the Mission Agencies clergy pension contributions to be funded by a system of Inter-Diocesan support through the central apportionment, effectively reimbursing the Church Commissioners who are statutorily responsible to make the payments. This would ensure that the cost was spread between all the dioceses on an equitable basis. It would be approved annually by the General Synod as a separate expenditure item which became Vote 4. This approach gained the full support of the Mission Agencies concerned, the Diocesan Boards of Finance, the Central Board of Finance, and was endorsed by the Church Commissioners. It was approved by General Synod in July 1998.
3. In order to mirror the arrangements already in place for diocesan clergy, it was proposed that the provision for these costs via Vote 4 should be phased in over a period of years commencing in 1999, with the Commissioners meeting the balance of the cost during those years. Under those arrangements Vote 4 is picking up the full cost of these pension contributions from 2004.
4. Despite the arrangements set out above, regular concerns were expressed about General Synod’s original decision and representatives of a number of dioceses have asked for the issue to be re-opened. These concerns led the Archbishops’ Council to agree that the matter should be looked at again. Discussions took place in 2002-3 between representatives of the Council’s Finance Committee and the main PWM Mission Agencies and a range of options were considered. It was agreed that open-ended arrangements were not sustainable. Within the context of an ongoing commitment to world mission and with the continued existence of Vote 4 being an aspect of the mutually beneficial partnership with the Mission Agencies, it was proposed that the maximum amount made available to the agencies each year through Vote 4 be capped with effect from 2005 and this was ratified by General Synod in July 2004.
5. The amount payable is now the lesser of (a) the 2004 Vote 4 budgeted expenditure (£722,750) increasing by RPI in subsequent years and (b) the actual expenditure incurred.

In the event of the cap having to be applied, it will be for the Mission Agencies to agree amongst themselves how the total amount payable is divided between them and how any balance of the cost of paying contributions in respect of all the clergy employed is to be met. It was agreed that these new arrangements would be reviewed by the representatives of the Council and the main PWM Mission Agencies in 2008.

6. Expenditure on the pension contributions payable under this vote in 2004 was £793,230 against a budget of £722,750. The overspend resulted from certain charges relating to 2003 not being charged to the Council's accounts until 2004. There continue to be reductions each year in the number of clergy being employed by the mission agencies but, as illustrated by the following table, the annual reductions are now much more modest than in earlier years. The budgeted expenditure of £740,332 has been calculated based on 127 clergy and a pension contribution level of 33.8%. It is around £30,000 below the level at which the cap would apply.

SOCIETY	1998	2000	2002	2003	2004	2005 (Q1)
Crosslinks	19	17	14.5	13.75	15	18
CMS	29.5	29	30	29.5	30	29
CPAS	15	12.5	11.5	10.5	10	10
Community of St Mary	1	1	1	1	1	1
Jerusalem & Middle East CA	1	1	1	0	0	0
Melanesian Mission Society	1	1	1	1	1	1
Mission to Seafarers	26	26	16.5	13.5	11	12
South American Mission Society	23	22.5	20	18.5	16	17
USPG	39	33	26.5	24.75	22	19
Church Army	6	6	5	6.25	7	6
Churches Ministry Among Jews	4	4	3.75	2.5	2	2
SOMA	1	1	1.25	2	2	2
Papua New Guinea Church	1	0	1.75	2	2	2
Inter-Continental Church Society	6.5	9.5	9.5	8.75	9	8
TOTALS	173	163.5	143.25	134	128	127

CHARM (Vote 5)

1. The CHARM scheme, in its current format, was introduced in 1983 and was established to provide housing for clergy retiring from the stipendiary ministry. The scheme is administered by the Church of England Pensions Board largely using capital provided by the Church Commissioners.
2. Clergy seeking to be housed under the scheme may apply to the Board, who will assess the individual's eligibility. Applicants with some capital resources are granted access to the mortgage wing of the scheme through which a property is purchased on an equity sharing basis. Applicants with insufficient capital may use the rented wing and the Board will buy the house, generally, with money borrowed from the Church Commissioners. The beneficiary will be granted a licence to occupy the property.
3. The Church Commissioners provide all loan finance on a 'value linked basis', with interest rates starting at 4% but rising annually broadly in line with the rate of inflation. The principal borrowed fluctuates according to the value of the property purchased. Additionally, any capitalised improvements are treated as further advances against the properties and attract interest on the same basis as new loans.
4. The demand for assistance under the CHARM scheme has been reducing and the number of properties in management has steadily decreased. At the end of 2004 there were a total of 2846 properties (mortgage 1482, rented 1364) compared with 3013 (mortgage 1523, rented 1490) ten years ago. The Board also own over 400 properties on which there are no financing charges, thus reducing the level of the subsidy. Without the contribution from the Board the subsidy in 2004 would have been almost 30% higher.
5. The Board's Secretary has carried out a comprehensive review of the scheme following the concerns expressed at the Inter-Diocesan Finance Forum last Spring. His initial report was considered by the Pensions Board in early March and has now been remitted to its Housing Committee for further consideration. A report was prepared for discussion at the Inter-Diocesan Finance Forum meeting in May.
6. This budget has been prepared giving due consideration to the various factors that may impact on the subsidy required to operate the scheme and has taken into account two steps which the Board has already authorised to bear down on the costs of the scheme. None of the other options identified in the Secretary's report have as yet been built into the budget.
 - a. The Board has authorised a substantial reduction in the number of vacant properties held at any one time, which reduces the interest and other charges arising from them. Aside from this, the number of properties in management has been projected to continue to reduce over the projection period by 15 per annum, in line with past history. It is, however, impossible to gauge how the economic climate may change over the next five years and therefore the consequent effect this may have on future demand for rented properties. It is a reasonable assumption, however, that the current trend may be expected to continue for the foreseeable future.
 - b. The expenditure on building repairs and maintenance is based on the average cost per property in 2004, increasing by around 4% per annum. This is a lower rate of

increase than that shown in earlier projections because the Board intend to take steps to hold down this area of expenditure.

7. The provision for maintenance costs, however, is still intended to reflect the following:
 - the ageing nature of the housing stock means that additional repairs are required to maintain the properties to an acceptable standard.
 - the increasing age of the scheme's beneficiaries increases the requirement for aids and adaptations to the houses to enable the occupants to continue to live there.
 - the restriction of funds available for the purchase of properties determines the type of property that can be bought and often leads to a substantial level of ongoing works.
8. The reducing number of properties provides a modest offset to the increased costs. Projected expenditure in 2006 equates to £1,835 per property based on the projected number of properties in the scheme. However, not every property has expenditure each year and an element of this cost relates to ongoing works on new lettings. The underlying rate of inflation throughout the five years has been assumed to be 3% in line with the current assumptions. There are, nonetheless, certain costs that can reasonably be expected to rise by more than the rate of inflation.
9. The table that follows sets out the expected income and expenditure relevant to the scheme for the period to December 2010. Explanatory notes on the individual elements of income and expenditure are given in the notes following the table. It should be noted that the Board has direct control over less than 45% of the expenditure relating to the CHARM scheme.
10. Previous projections for Vote 5 have shown overall subsidy costs increasing by around 10% pa. As a result of the steps already taken to reduce expenditure, the 2006 budget bid actually represents a small reduction on the approved budget for 2005. The projection for 2007 shows an increase of 4.3% over 2006 and thereafter the trend is for increases of around 7.5% pa. However, the longer term position may be influenced by further changes consequent from the Secretary's review.
11. The actual expenditure for 2004 has been included for information, although this was considerably lower than the estimate. This is largely a result of being able to capitalise an unusually large proportion of the repairs expenditure. It is not reasonable to assume that this will be the case in subsequent years.

	Actual 2004 £000	Budget 2005 £000	Budget 2006 £000	Forecast 2007 £000	Forecast 2008 £000	Forecast 2009 £000	Forecast 2010 £000
<i>Income</i>							
Properties in management	1378	1350	1335	1320	1289	1274	1259
Rent	4,266	4,509	4,530	4,643	4,684	4,769	4,854
Expenditure							
Controlled by CCs:							
Interest on Loans - payable to Church Commissioners	3,072	3,246	3,315	3,481	3,655	3,838	4,030
Controlled by CEPB:							
Building repairs & maintenance (net of capitalised improvements)	1,981	2,517	2,423	2,508	2,596	2,687	2,781
Other expenses	592	662	666	686	707	728	750
Total CEPB Expenditure	2,573	3,179	3,089	3,194	3,303	3,415	3,531
Total expenditure	5,645	6,425	6,404	6,675	6,958	7,253	7,561
Net deficit	1,379	1,916	1,874	2,032	2,199	2,375	2,561
Administrative expenses	956	993	1,023	1,053	1,085	1,118	1,152
Add mortgage scheme costs	212	208	214	221	228	235	242
Total revenue subsidy	2,547	3,117	3,111	3,306	3,512	3,728	3,955

Notes:

- A. The average maintenance contribution reflects the average income per property. Under the current terms of the scheme the maintenance charge should not exceed 30% of the occupants' gross income. Maintenance contributions can be expected to increase by 3% per annum in line with inflation, clergy stipends and State pensions. As the number of properties in management reduces the effect of inflation on the total income is neutralised. The additional income generated by new beneficiaries paying 30% of their income as opposed to the 25% previously has only a minor mitigating effect as this change was not implemented until 2003.
- B. The interest payable to the Church Commissioners on the value-linked loans accounts for more than 50% of the expenditure on CHARM. The terms of the loan are briefly outlined in paragraph 3 above. The interest charged by the Church Commissioners increases every year in accordance with inflation, which, for this purpose, has been assumed to be 3%. The interest payable however increases by more than the basic rate of inflation each year for the following reasons:
- New properties purchased in the year will inevitably be at a higher initial cost than the loans redeemed, thus resulting in a higher interest charge.

- Building repairs capitalised in the previous year attract interest from the Church Commissioners because they effectively fund the increased capital value.

The loan interest charge has been inflated by 5% to reflect the additional costs that may arise.

- C. Other expenses include water rates, council tax and insurance. In past years council tax and water rates have increased by more than twice the rate of inflation. The level of increases appear to have reached a plateau therefore the increases in future years have been reduced to slightly above the rate of inflation. All other expenses have been increased in accordance with the assumptions on inflation.
- D. The Administrative expenses charged by the Board represent the relevant share of the Board's total costs, including salaries and other costs. Approximately 75% of the costs budgeted are within the direct control of the Board, the remainder represents the rent at Church House and contribution to common services departments within the control of the Archbishops' Council.
- E. Mortgage scheme costs are the agreed contributions paid toward quinquennial surveys and the fees relating to the purchase and sale of properties.

Reserves

The Archbishops' Council has a reserves policy under which it holds only such levels of reserves as are necessary to meet its day to day needs and expenditure which may fall to be met before sufficient income is received to finance it. This is both to maintain sufficient working capital and to maintain liquidity.

There is a general reserve in relation to all four votes. These reserves are regularly drawn upon: for example in relation to Vote 1, for at least the first six months of the year the amount paid out exceeds what has been received from dioceses since a number of payments need to be made at the start of each academic term. Part of the Vote 2 reserve balance comprises amounts that have been paid out (and so are not available as cash) for the refurbishment of Church House in 1998-9 but under the Council's accounting policy is being depreciated over a period of ten years (and so is only charged to the accounts in instalments over that time).

In addition, in respect of the training for ministry fund (Vote 1), the three year rolling reserve was created as recommended by "Managing Planned Growth" to smooth out future fluctuations in expenditure. This stands at £1,072,000 following recent Vote 1 surpluses. The Finance Committee endorsed the recommendation of the Ministry Division Finance Panel that the appropriate level for the time being is a maximum of £400,000. The balance over and above this figure (and the £100,000 drawn on in the 2006 Budget) is being returned to dioceses in 2005 (as set out earlier in this document).

No changes have been made to the reserves policy levels. The Council has, however, in anticipation, set an upper limit of £250,000 for the time being for Vote 5. It will be seen that at present none of the reserves are above the maximum level (other than the Vote 1 rolling reserve).

	Minimum	Maximum	Actual (31/12/04)
Vote 1	1.5 months' net expenditure (£1.14m at 2004 levels)	3 months' net expenditure (£2.27m at 2004 levels)	£1.64 million (excluding rolling reserve)
Vote 2	1.5 months' net expenditure (£1.15m at 2004 levels)	3 months' net expenditure (£2.31m at 2004 levels)	£1.92 million (excluding designated funds)
Vote 3	£150,000	£300,000	£165,000
Vote 4	£50,000	£200,000	£24,000

Table of Apportionment for 2006

Diocese	Training for Ministry	National Church Responsibilities	Grants & Provisions	Mission Agency clergy pension contributions	CHARM	Total Votes 1-5	Pooling of 2004 candidates costs	Total Net Apportionment
	VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5			
	£	£	£	£	£	£	£	£
Bath & Wells	259,238	277,480	39,626	20,701	87,232	684,277	6,929	691,206
Birmingham	144,039	154,175	22,017	11,502	48,469	380,202	2,641	382,843
Blackburn	199,694	213,746	30,524	15,946	67,196	527,106	(16,905)	510,201
Bradford	78,195	83,698	11,952	6,244	26,312	206,401	(55,623)	150,778
Bristol	147,621	158,008	22,564	11,788	49,674	389,655	17,182	406,837
Canterbury	146,632	156,950	22,413	11,709	49,341	387,045	6,256	393,301
Carlisle	126,592	135,500	19,350	10,109	42,598	334,149	27,919	362,068
Chelmsford	346,853	371,260	53,018	27,697	116,715	915,543	28,062	943,605
Chester	315,641	337,852	48,247	25,205	106,212	833,157	(45,767)	787,390
Chichester	397,207	425,158	60,715	31,718	133,658	1,048,456	8,604	1,057,060
Coventry	160,178	171,449	24,484	12,791	53,899	422,801	(11,361)	411,440
Derby	143,143	153,216	21,880	11,430	48,167	377,836	(23,041)	354,795
Durham	134,878	144,370	20,617	10,770	45,386	356,021	10,394	366,415
Ely	164,036	175,579	25,074	13,099	55,197	432,985	(84,714)	348,271
Exeter	220,324	235,828	33,678	17,594	74,138	581,562	41,622	623,184
Gloucester	193,904	207,549	29,639	15,484	65,248	511,824	(14,065)	497,759
Guildford	299,852	320,952	45,834	23,944	100,899	791,481	3,912	795,393
Hereford	104,048	111,369	15,904	8,309	35,012	274,642	21,785	296,427
Leicester	132,014	141,303	20,179	10,542	44,422	348,460	(27,737)	320,723
Lichfield	283,236	303,166	43,294	22,617	95,308	747,621	28,796	776,417
Lincoln	210,641	225,463	32,197	16,820	70,880	556,001	26,163	582,164
Liverpool	190,494	203,898	29,118	15,212	64,100	502,822	17,978	520,800
London	717,260	767,733	109,636	57,276	241,355	1,893,260	(99,916)	1,793,344
Manchester	232,478	248,837	35,535	18,564	78,228	613,642	437	614,079
Newcastle	103,025	110,275	15,748	8,227	34,667	271,942	6,560	278,502
Norwich	177,770	190,279	27,173	14,195	59,819	469,236	39,954	509,190
Oxford	564,658	604,391	86,310	45,090	190,005	1,490,454	(19,202)	1,471,252
Peterborough	164,539	176,118	25,151	13,139	55,367	434,314	21,130	455,444
Portsmouth	120,012	128,457	18,344	9,583	40,384	316,780	15,472	332,252
Ripon & Leeds	130,619	139,810	19,966	10,430	43,953	344,778	(10,501)	334,277
Rochester	261,125	279,500	39,914	20,852	87,868	689,259	29,182	718,441
St Albans	350,153	374,793	53,522	27,961	117,825	924,254	34,610	958,864
St Eds & Ips	163,180	174,663	24,943	13,030	54,909	430,725	7,821	438,546
Salisbury	287,322	307,540	43,918	22,944	96,683	758,407	6,522	764,929
Sheffield	127,023	135,962	19,416	10,143	42,743	335,287	28,597	363,884
Sodor & Man	20,920	22,392	3,198	1,671	7,040	55,221	(5,193)	50,028
Southwark	410,089	438,946	62,684	32,747	137,993	1,082,459	(32,363)	1,050,096
Southwell	131,674	140,940	20,127	10,515	44,308	347,564	(131)	347,433
Truro	101,377	108,510	15,496	8,095	34,113	267,591	15,149	282,740
Wakefield	129,821	138,956	19,844	10,367	43,684	342,672	33,760	376,432
Winchester	287,329	307,548	43,919	22,944	96,684	758,424	13,849	772,273
Worcester	151,319	161,967	23,130	12,083	50,917	399,416	(4,194)	395,222
York	215,137	230,276	32,884	17,179	72,392	567,868	(36,659)	531,209
Europe	-	-	-	-	-	-	(13,914)	(13,914)
Armed Forces	21,710	23,238	3,318	1,734	-	50,000	-	50,000
TOTALS	9,267,000	9,919,100	1,416,500	740,000	3,111,000	24,453,600	-	24,453,600

Five Year Forecast

The following table sets out the current 5-year projection. It assumes that the numbers in training (Vote 1) remain broadly stable at their projected 2005-6 level. The above-inflation increase in Vote 3 projected for 2007 relates to allowing for a further increase in the amount set aside for Legal Aid, as a result of the implementation of the Clergy Discipline Measure from 2006 and the phased withdrawal of the Church Commissioners' support of Legal Aid costs. It is hoped, as a consequence of the review by the Pensions Board of the operation of the CHARM scheme, that this might result in some reduction of the proposed increases forecast for Vote 5 for 2008 onwards.

The forecast should be treated only as a projection and as our best estimate available at this time. It may of course change over time.

Vote		2007 % increase	2008-11 (p.a.) % increase
Vote 1	Ordination Training	2.5%	3.0%
Vote 2	National Support	3.5%	3-3.5%
Vote 3	Grants (inc. Legal Aid)	10.0%	3-10.0%
Vote 4	Mission Agencies Clergy Pensions	4.0%	3.5%
Vote 5	CHARM subsidy/admin costs	4.3%	7.5%
	Overall Apportionment	3.9%	3.5-3.9%

Facts and figures

Q: *How many people are employed by the Archbishops' Council?*

A: Around 280, including about 135 involved in the work of the common service departments which support all the national Church institutions.

Q: *Is there a history of pruning for growth?*

A: Yes. Following a 10% savings exercise in 1995-7 involving the loss of 16 posts, thirteen posts were cut in 2001. Over the period 2002-4, savings amounting by 2004 to £1.3 million p.a. were made, resulting in the loss (or, in a few cases, external funding) of around 50 posts. The Archbishops' Council announced at the end of 2004 a programme of Total Service Reviews which will review every area of work, with substantial independent input, over a three year period.

Q: *What attempt is made to budget in accordance with the priorities of the Church?*

A: The Archbishops' Council's key themes and priorities, which were formed in consultation with the General Synod and the House of Bishops, were published in late 2000 and departmental budgets are formed and reviewed in the light of them.

Q: *What happens to the money gained by savings?*

A: It is Church policy to return savings to dioceses or to apply them in the form of reduced apportionments in future years where not needed to replenish reserves. £155,000 was repaid to dioceses in 2003, nearly £300,000 in 2004 and over £500,000 is to be returned in 2005.

Q: *Does the Corporation of Church House charge a full market rent?*

A: No. The Corporation only charges the Church what it needs to maintain the building and its services and to provide for future capital expenditure. The costs it charges are, however, increasing by more than inflation to build up the reserve which is part-financing the refurbishment of Church House in 2006.

Q: *What attempt is made to attract sponsorship and grants?*

A: Whilst outside organisations are often reluctant to provide sponsorship for 'core' work, several parts of the House's work attract grants from sources outside the Church and is instrumental in substantial sums being made available to the Church for disbursement to the parishes or for other front-line ministry work. For example, the Council for the Care of Churches attracts and disburses to the parishes nearly £500,000.

Q: *When General Synod asks Church House to take on something new, does it realise the costs?*

A: Standing Orders require that the Synod is advised of the cost implications of any new proposals. A Financial Memorandum is now regularly prepared setting out the financial implications of items of business before Synod so that Synod can take them into account.

Q: *How do we know we aren't doing something which could be best left to the dioceses, parishes or others or vice versa?*

A: Our work is open to internal and external scrutiny and the Service Reviews will be examining this very question as part of their work. With a reduced level of staffing it becomes even more important that we only do what can best be done, and needs to be done, at the national level.

Budget Summary (gross)

Archbishops' Council Budget For the year 2006

	Actual 2004 £	Budget 2004 £	Restated Budget 2005 £	Budget 2006 £
<u>Training for Ministry</u>				
Income	(141,309)	(90,000)	(120,000)	(145,000)
Expenditure	8,742,406	9,139,298	9,416,240	9,512,000
	8,601,097	9,049,298	9,296,240	9,367,000
Less Diocesan Contributions	Vote 1 (9,049,298)	(9,049,298)	(9,171,240)	(9,267,000)
Movement (to)/from Rolling Reserve	(448,201)	0	125,000	100,000
Rolling reserve brought forward				
<u>National Church Responsibilities</u>				
Income	(7,017,484)	(7,060,164)	(8,088,599)	(7,304,791)
Expenditure				
Central Secretariat	1,519,254	1,636,238	1,686,175	1,710,861
Ministry Division	1,336,594	1,311,768	1,324,588	1,401,400
Board of Education	733,653	737,041	791,698	840,183
Mission & Public Affairs	1,182,856	1,267,439	1,307,467	1,313,884
Cathedral and Church Buildings	648,284	777,815	873,229	908,783
Finance	672,099	617,630	654,276	699,713
Accounts	1,231,532	441,763	1,451,588	1,535,436
Internal Audit	178,168	185,083	189,143	250,995
Legal	1,449,290	1,478,540	1,526,691	1,634,337
Communications Unit	535,769	524,492	605,192	632,581
Human Resources	483,287	433,617	530,007	600,593
Information Technology	993,854	1,017,490	1,030,591	1,039,189
Records	304,178	379,133	320,257	351,623
Church House Publishing	1,095,471	1,259,181	1,310,632	1,119,925
Church House Bookshop	888,407	953,357	965,495	0
Office services	695,078	787,739	746,718	777,558
Accommodation	2,235,234	2,330,199	2,299,277	2,535,828
Contingency	0	150,000	50,000	75,000
	16,183,008	16,288,524	17,663,025	17,427,890
Less Diocesan Contributions	Vote 2 (9,228,360)	(9,228,360)	(9,574,425)	(9,919,100)
Movement from Reserves	(62,836)	0	0	204,000
<u>Grants and Provisions</u>				
Expenditure	1,194,229	1,194,229	1,271,850	1,416,500
Diocesan Contributions	Vote 3 (1,194,229)	(1,194,229)	(1,271,850)	(1,416,500)
Movement from Reserves	0	0	0	0
<u>Mission Agency / Clergy Pensions</u>				
Expenditure	793,230	722,750	735,753	740,332
Diocesan Contributions	Vote 4 (675,000)	(675,000)	(675,000)	(740,000)
Movement from Reserves	118,230	47,750	60,753	332
<u>Pensions Board</u>				
Expenditure	0	0	3,117,000	3,111,000
Diocesan Contributions	Vote 5 0	0	(3,117,000)	(3,111,000)
Movement from Reserves	0	0	0	0
<u>Central Apportionment</u>	(20,146,887)	(20,146,887)	(20,692,515)	(24,453,600)