

Archbishops' Council

# **2007 Budget**



## 2007 Budget Highlights

Training Budget	<b>(Vote 1)</b>	8.9% increase
National Support	<b>(Vote 2)</b>	0% increase
Grants	<b>(Vote 3)</b>	7.5% increase
Mission Agencies Pensions	<b>(Vote 4)</b>	0% increase
CHARM	<b>(Vote 5)</b>	6.7% reduction
Net Apportionment		2.9% increase

*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.*

*The Archbishops' Council seeks through the budget to support and enable the Church's work nationally in the most effective way possible. It is reviewed each year against the Council's strategic objectives and includes the responsibility for funding at a national level the training of the Church's future ordained ministers.*

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# Executive Summary

## Introduction

1. The Church of England continues, by God's Grace and the generosity of Church people, to finance its nationwide mission and ministry, notwithstanding substantial additional costs in recent years. The most significant above inflation increase is the rising cost of financing the clergy pension scheme and an interim increase in the contribution rate from 1 January 2007 has been announced by the Pensions Board. A Task Group is working to produce a consultation document that will aim to discern churchwide opinion on the future structure of the scheme. Additionally, over the period 2004-6 there has been a programme of re-distribution to increase the amount available to the least resourced dioceses amounting in total to £10 million p.a., which the better resourced dioceses have generously supported.
2. In the light of these and other challenges, the Archbishops' Council is acutely conscious of the need to provide in the national budget only for expenditure that is necessary and all parts of the budget are examined comprehensively each year and pruned wherever possible. The Council began in 2005 a programme of total service reviews. The first phase covering four Divisions was completed in 2005 and recommendations are now being implemented; the work of all other Divisions is being reviewed in turn during 2006 and 2007. The reviews are being carried out by an independent Steering Group.

## Format

3. This executive summary of the budget is followed by an overall budget summary and detailed sections on each vote. 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. An indicative forecast for 2008-10 also forms part of this document, particularly to assist dioceses in forward planning.
4. The document contains a budget summary showing gross expenditure in relation to each area of work 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 Financial Policy – mark.humphriss@c-of-e.org.uk).

## **Process**

5. Each part of the budget has been reviewed line-by-line to ensure that income and expenditure are at realistic and justifiable levels and that the budget is strictly necessary in order to carry out the tasks which need to be undertaken. Each team has prepared a Business Plan commenting on 2005 and 2006 and setting out its proposals for 2007. These have been reviewed by the Senior Management Group and will be used as working documents.
6. The Budget was considered in detail by the Council's Senior Management Group, the Finance Committee and the Archbishops' Council itself. The Inter-Diocesan Finance Forum also had the opportunity to comment on the budget. It was approved by the Council in the form set out in this document.

## **Common Services**

7. 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 Office, Office Services, 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 (JECSB) on 28 March, these bodies indicated their agreement to fund their respective shares of the budgets of the Common Service departments. The amount of time which each of these departments devotes to each NCI is monitored each quarter for recharging and to help assess the likely budgetary impact.

## **Vote 1 (Ordination Training)**

8. This budget exists to fund costs associated with ordination training reflecting the fact that the training of future clergy is accepted as a national responsibility. It is the Church's policy to train all those who are recommended for training by their Bishop after a process of discernment involving a selection panel. The financial systems (including the pooling of maintenance costs) are designed to ensure that dioceses should not suffer financially if they put forward a larger than average number of ordinands.
9. The 2005 outturn was an underspend of £273,000. This arose primarily due to a reduction of college core costs.
10. It is forecast that for the 2006/7 academic year numbers in training in colleges will be significantly higher, but they are predicted to reduce to approximately current levels in 2007/8 due to a particularly high leaving year in July 2007. In the light of this, the Ministry Finance Panel, the Finance Committee and the Archbishops' Council have decided against agreeing an increase in core costs that might then have to be quickly reduced again. Colleges will, of course, receive an increase in core costs to reflect the effect of inflation and increased variable costs to reflect the current increase in numbers.

11. There has been a further increase in numbers coming forward for selection which is expected to increase by around 100 the numbers in non-residential training in 2007-8. The overall increase in the numbers in training has created the need for a substantially higher Vote 1 apportionment for 2007 than had been envisaged. As the increase in numbers also affects 2006 there will be insufficient funds left in the Vote 1 rolling reserve to mitigate the increase in 2007. As a result, the Archbishops' Council has concluded that an overall increase of 8.9% in Vote 1 is unavoidable this year. The figure would be higher still had core costs not been contained.
12. Alongside all this, the position and viability of all the colleges on formational as well as financial grounds is under review by the House of Bishops in view of the increasing proportion of those in training following routes that are primarily non-residential. Final decisions are due to be taken by the House in January 2007 following an initial discussion in January 2006. Consideration will also need to be given in the future to funding of research and to the substantial maintenance backlog within theological colleges, whilst recognising that such matters are primarily for decision by the trustees of those independent institutions and for consideration across each regional partnership.

#### **Vote 2 (National Church Responsibilities)**

13. Vote 2 covers the costs of work that needs to be undertaken nationally, or is best carried out at that level, to support the Church's mission.
14. 2005 expenditure overall was £423,000 below budget due to careful management and to staff vacancies during the year.
15. The most significant issue currently affecting this budget concerns the employer's costs of staff pensions. At the time of writing triennial actuarial valuation of the Church Administrators Pension Fund, to which almost all staff of the National Church Institutions belong, is awaited. The same pressures that have affected the Clergy Pension Scheme and other defined benefit schemes apply to this scheme, changes in investment returns, improvements in life expectancy and the consequences of government regulation.
16. A decision has already been taken to close the Church Administrators Pension Fund to new entrants in the course of 2006 and to consult staff on ways of reducing the employers' cost of pensions for existing staff. Some increase in the contribution rate from January 2007 (the actuarial valuation is one year ahead of the Clergy Pension Scheme) is, however, unavoidable, and the budget has been set to make some provision for this.
17. Pay levels are negotiated annually between the Joint Employment and Common Services Board and the recognised Trade Unions. The pay deal from July 2006 has yet to be determined (at the time of writing).

18. Reductions in individual expenditure items have been taken wherever they can be achieved. Church House Bookshop was sold with effect from 28 April 2006. No budget was provided for 2006 and there will be certain residual trading and costs of the sale to be met from contingency funds.
19. From early 2007 all the staff of the Archbishops' Council, Church Commissioners and the Pensions Board will be accommodated in Church House and 1 Millbank will be vacated. The primary responsibility for financing the works to enable this to happen fall to The Corporation of the Church House as landlord. However, certain costs fall to be met by the tenants; these costs have been budgeted for some time and the largest share is being met by the Church Commissioners in view of the surplus arising to them from the sale of Millbank.
20. Despite a modest increase in the level of rent payable to The Corporation of the Church House to reflect an increased useable area, there is a very substantial saving to the Council from the Church Commissioners' occupation and their sharing of the rent and service charge at Church House. This saving of around £450,000 is being used for two purposes. First, it provides some breathing space in relation to increased pension costs until the savings from the changes to present arrangements come through. Second, it has made it possible for the Vote 2 apportionment figure to remain unchanged, in cash terms (and to fall in real terms), for 2007. This is timely given the clergy pension situation and the significant increase required in 2007 for Vote 1.
21. 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 in the previous year when budgets were prepared. The Contingency amount provides a means of meeting unplanned expenditure which Senior Management and the Finance Committee (or its Chairman if the decision is required at short notice) deem necessary. In 2005 it was possible to accommodate almost all such expenditure within departmental budgets and it has therefore been decided to reduce the contingency amount to £50,000 for 2007.

### **Vote 3 (Grants)**

22. Vote 3 primarily reflects the Church of England's national and international commitments as part of a worldwide Anglican Communion and as a Church seeking to work wherever possible with other denominations in this country and abroad.
23. The increase in Vote 3 reflects the need to build up the Legal Aid Fund to respond both to current higher levels of expenditure and to the significantly higher levels of expenditure that are likely to fall on the Council. These result from the implementation of the Clergy Discipline Measure together with the phased withdrawal by the Church Commissioners from contributing to Legal Aid costs.

#### **Vote 4 (Mission Agencies Pension Contributions)**

24. Vote 4 covers the pension contributions of clergy employed by the mission agencies as part of the Church's commitment to its mission agencies. For 2007 two factors are at work. The number of clergy employed by the Mission Agencies has again dropped substantially and expenditure in 2005 was therefore well below budget. As against that, increases in the clergy pension contribution rate directly impact on expenditure. In the light of these two factors the budget for 2007 is held at the same level as 2006.

#### **Vote 5 (CHARM)**

25. Vote 5 comprises the revenue costs of the Church's retirement housing scheme to ensure that all clergy have access to housing on retirement. As with Vote 4, the costs are now borne on the national budget to increase the amount the Church Commissioners can make available for the Council to distribute selectively to dioceses judged to be in greatest need.
26. Significant steps were taken during 2005 by the Pensions Board, following a review undertaken by its Chief Executive, to control the increasing cost of the Church's Housing Assistance for the Retired Ministry (CHARM) scheme, whilst being sensitive to the position of the clergy pensioners concerned, their widows and families. The number of vacant properties held within the scheme pending occupation by other pensioners has been reduced and over a three year period from 2006 the cost of water rates is being transferred from the Board to occupants. These steps have enabled a Vote 5 apportionment reduction for 2007 (and a modest saving against budget in 2006) and a lower projection for future years than the 10% p.a. increases being forecast a year ago.

#### **Apportionment**

27. 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 undertaken in 2004-5 and endorsed by the General Synod last year.
28. Rochester diocese advised the Archbishops' Council in 2004 that it would only pay one-third of the amount requested in respect of Vote 5 in 2005, but has confirmed that the full amount requested in 2006 will be paid.
29. The apportionment for the Diocese in Europe (which would have been around £50,000 in 2007 in advance of pooling adjustments) is waived to enable corresponding funds to be available for mission projects as the Diocese is not legally able to receive funds from the Parish Mission Fund.
30. The Forces Synodical Council has been contributing to Apportionment since 1 July 2005 and this has been factored into the Table of Apportionment, reducing slightly the amount requested of dioceses.

## Reserves

31. The Council reviews its reserve levels annually to ensure that reserves are adequate, without being excessive. Where it considers that excess reserves are held these are returned to dioceses as has happened in the past two years. On this occasion, the Council considers that its reserves in the case of each of the five Votes are at an appropriate level as is set out later in this document.

## Forecast 2008-10

32. A forecast for 2008-10 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 for 2008 and beyond need to be treated with caution, but will provide dioceses with some outline figures to build into their own long term planning.

## Conclusion and Recommendation

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

<b>2007 Budget</b>	
<b>Vote 1</b>	£10,090,900
<b>Vote 2</b>	£9,919,000
<b>Vote 3</b>	£1,522,100
<b>Vote 4</b>	£740,000
<b>Vote 5</b>	£2,900,000
<b>Net Apportionment</b>	£25,172,100

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On behalf of the Archbishops' Council

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30 May 2006

# Budget Summary (net)

## Archbishops' Council Budget For the year 2007

	Actual 2005 £	Budget 2005 £	Budget 2006 £	Forecast 2006 £	Budget 2007 £
<b>Training for Ministry</b>					
Income	(218,009)	(120,000)	(145,000)	(125,000)	(135,000)
Expenditure	9,121,889	9,416,240	9,512,000	9,859,217	10,225,900
	8,903,881	9,296,240	9,367,000	9,734,217	10,090,900
Less Diocesan Contributions	Vote 1 (9,177,096)	(9,171,240)	(9,267,000)	(9,267,000)	(10,090,900)
Movement (to)/from Rolling Reserve	(273,215)	125,000	100,000	467,217	0
<b>National Church Responsibilities</b>					
General Income	(320,000)	(310,000)	(320,000)	(335,000)	(350,000)
<b>Net Expenditure (net of related income e.g. contributions from other NCIs to common services)</b>					
Central Secretariat	1,585,824	1,673,874	1,698,361	1,698,361	1,779,033
Ministry Division	1,280,166	1,308,588	1,376,400	1,385,850	1,445,094
Education	578,276	570,613	599,662	586,092	623,309
Mission & Public Affairs	1,050,233	1,097,167	1,130,384	1,114,536	1,245,128
Cathedral & Church Buildings	619,349	628,193	664,611	662,911	718,240
Finance	433,231	527,739	554,804	505,842	588,602
Accounts	272,967	244,430	272,260	226,856	252,355
Internal Audit	54,206	66,751	71,170	64,433	79,756
Legal	535,448	558,218	612,497	568,222	629,998
Communications	382,207	429,047	454,429	406,025	453,126
Human Resources	229,003	233,029	264,080	255,242	279,516
Information Technology	382,207	385,774	400,989	397,713	409,503
Records	86,248	78,284	90,095	88,565	98,650
Church House Publishing	51,791	45,632	34,925	22,429	863
Church House Bookshop	132,482	60,495	0	0	0
Office services	327,451	356,122	327,353	265,645	261,931
Accommodation	1,470,343	1,570,468	1,816,077	1,683,210	1,353,994
Contingency	5,500	50,000	75,000	50,000	50,000
	9,476,932	9,884,425	10,443,100	9,981,933	10,269,100
Less Diocesan Contributions	Vote 2 (9,580,235)	(9,574,425)	(9,919,100)	(9,919,100)	(9,919,100)
Movement (to)/from Reserves	(423,303)	0	204,000	(272,167)	0
<b>Grants</b>					
Expenditure	1,271,850	1,271,850	1,416,500	1,409,500	1,522,100
Diocesan Contributions	Vote 3 (1,273,509)	(1,271,850)	(1,416,500)	(1,416,500)	(1,522,100)
Movement (to)/from Reserves	(1,659)	0	0	(7,000)	0
<b>Mission Agency / Clergy Pensions</b>					
Expenditure	658,406	735,753	740,332	625,000	770,000
Diocesan Contributions	Vote 4 (675,867)	(675,000)	(740,000)	(740,000)	(740,000)
Movement (to)/from Reserves	(17,461)	60,753	332	(115,000)	30,000
<b>CHARM</b>					
Expenditure	2,955,000	3,117,000	3,111,000	2,948,000	2,940,000
Diocesan Contributions	Vote 5 (3,058,029)	(3,117,000)	(3,111,000)	(3,111,000)	(2,900,000)
Movement (to)/from Reserves	(103,029)	0	0	(163,000)	40,000
<b>Overall Apportionment</b>	(23,764,736)	(23,809,515)	(24,453,600)	(24,453,600)	(25,172,100)

# Training Budget Forecast for 2007 (Vote 1)

## Numbers in training

1. Numbers of ordinands attending Colleges rose in 2005/06 and are expected (with a small number of leavers in summer 2006) to increase further in 2006/07, then fall back in 2007/08. Regional Course numbers also rose in 2005/06 and a further increase is expected in the next two academic years. Numbers of OLM candidates, following some recent decline, are expected to remain steady at around 165 ordinands.
2. The table below sets out numbers in the last five academic years and estimates for the next two years:

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07 Approx	2007/08 Approx
Colleges*	614	556	505	501	532	565	535
Courses**	598	608	612	654	668	727	765
	<b>1,212</b>	<b>1,164</b>	<b>1,117</b>	<b>1,155</b>	<b>1,200</b>	<b>1,292</b>	<b>1,300</b>
OLM Candidates	191	217	203	169	165	165	165
<b>Total</b>	<b>1,403</b>	<b>1,381</b>	<b>1,320</b>	<b>1,324</b>	<b>1,365</b>	<b>1,457</b>	<b>1,465</b>

\* 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 2005/06 is 497 Full Time Equivalent, estimated to rise to 530 FTE in 2006/07 and then fall back to 500 FTE in 2007/08.

\*\* The Course student numbers include those candidates undertaking diocesan "pre-theological" training. There are currently 15 students in this category; numbers in this category are expected to remain stable in the next two academic years.

## Core Costs

3. Following approval of the Archbishops' Council budget for 2006 there was an unexpected surge in the number of candidates offering themselves, and subsequently being selected, for training in 2005/06. The necessary additional costs will be met from the Rolling Reserve in 2006. Details of the transfers to and from the Rolling Reserve are outlined in paragraph 13 below. There has been a further late surge in numbers for 2006/07.

4. As explained in the first paragraph, the numbers in the institutions are expected to peak in 2006/07 and thereafter fall back in 2007/08. A number of options have been considered in deciding upon the level of College and Course core costs to be included in the budget for 2007. In recognition of the fact that it will not, in general, be necessary for new staff to be taken on by the training institutions in 2006/07, it has been decided that both College and Course core costs should be increased only very slightly more than an inflationary amount both to avoid an even higher apportionment level in 2007 and to avoid increasing core costs only to have to scale them back a year later.

### **2005 Outturn**

5. The total budgeted expenditure for 2005 was £9,416,000. After allowing for investment income and the use of surplus reserves, a total of £9,171,000 was requested from the dioceses. Actual training expenditure during 2005, even allowing for the additional students in 2005/06, totalled £9,122,000, primarily as a result of the large reductions of the Church of England's contribution to College core costs for 2004/05. The resultant net saving on Vote 1 as a whole amounting to £235,000 was credited to the Rolling Reserve. During the year £573,000 from the Rolling Reserve was returned to the dioceses in respect of the surplus arising in 2004.

### **2006 Forecast**

6. As a result of the additional students in the 2005/06 and 2006/07 academic years it is at this stage anticipated that there will be over-expenditure of £347,000 in relation to the agreed budget in 2006. This together with the expected use of the reserves means that around £467,000 will need to be met from the Rolling Reserve, reducing it to less than £270,000.

### **Budget 2007**

7. The budget shows a requirement of £10,090,900 for 2007, representing an increase of 8.9%, (after allowing for investment and trust income of £135,000) on the budget agreed for 2006. This substantial increase is due to the projected increases (as shown in the table above) of around 100 in the number in training compared with the 2005/06 level, with no release from reserves possible to mitigate these higher costs.

### **Assumptions in 2007 Budget**

8. The main assumptions on which the budget is based are as follows:
  - Basic inflationary core costs increases of 3.9% for Colleges and 4.2% for Courses in 2006/07 and estimated 3.2% for Colleges and 3.0% for Courses in 2007/08. These estimates are based upon academic staff salary increases in line with stipend increases for parochial clergy (5.0%

from April 2006 and estimated 3.0% from April 2007), non-academic staff salary increases of 4.0% and RPI inflation of 2.5% for both years.

- Basic variable costs to follow expected RPI inflation of 2.5% in the next two academic years
- 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.
- Large University fees increase (£122,000 in 2007) following the Government's introduction of "top-up" fees in September 2006. This item alone accounts for 1.3% of the increase in Vote 1.
- Pre-theological training expenditure stable - inflationary increase to £11,000 in 2007.
- OLM training expenditure stable – estimated £279,000 in 2007.
- Mixed-mode training expenditure lower than in 2006 budget, but fairly stable at around £28,000.
- Costs of the implementation of the Regional Training Partnerships, as per the report *Formation for Ministry in a Learning Church (GS 1496)*, included as a budget item only in the budget forecasts for 2005 and 2006.
- Curriculum development for the training of Pioneer Missional Leaders, included as a budget item only in 2006. Funding for the training of these ministers will, in future, be included within the normal expenditure of Vote 1.

### **Pre-theological training**

9. There are currently 15 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 related expenditure in 2006 will be approximately £9,900 increasing to £11,000 in 2007.

### **OLM training**

10. There are currently 18 diocesan OLM Schemes approved by the House of Bishops. The contribution made by the Central 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 £7,810 in 2006) combined with the payment of a per capita sum (of £713 in 2006) for each selected ordinand. Expenditure of around £270,000 is expected in 2006, as per budget. Expenditure of £279,600 on OLM training is expected in 2007.

## Mixed mode training

11. There are currently 22 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 £26,000 in 2006 and £29,000 in 2007. The overall costs to CFMT of mixed-mode training and conventional College training are broadly comparable.

## Reserves

12. As explained in the paragraphs above considerable use has been made of the reserves in 2005 and 2006 to cover the expected costs and the need to fund the additional students. The Vote 1 Reserve is needed to assist significantly with cash flow during the early part of the year. The Rolling Reserve exists to meet unexpected increases in the numbers of candidates entering training.
13. The expected position for the period 1<sup>st</sup> January 2005 to 31<sup>st</sup> December 2007 is as follows:-

<u>Vote 1 Reserve</u>	-	<b>constant at £1,635,000</b>	
			<b>£</b>
<u>Rolling Reserve</u>	-	Balance at 1.1.05	1,073,000
		Returned to dioceses in 2005	(573,000)
		Surplus on Vote 1 in 2005	<u>235,000</u>
		Balance at 1.1.06	735,000
		Projected deficit in Vote 1 in 2006	<u>(467,000)</u>
		<b>Projected Balance at 1.1.07</b>	<b>£268,000</b>

As the view has been taken that up to £400,000 should be maintained at any one time in the Rolling Reserve, it is not possible to plan for any of the 2007 budgeted expenditure to be offset from the Rolling Reserve and it would be desirable for the level of the Rolling Reserve to be increased at the earliest opportunity.

## Diocesan Pooling Costs

14. Expenditure on diocesan support grants made to ordinands in 2005 amounted to £2,608,073. Dioceses' expenditure in 2005 is reflected in diocesan contributions to the 2007 budget through the pooling arrangements as set out in the Table of Apportionment later in this document.

## **2008 Forecast**

15. The anticipated substantial increase in clergy pension contributions from April 2008 will need to be taken into account in the estimate of academic salary costs in the 2008 budget. Estimated total expenditure on training, based on current estimates of numbers, in 2008 is currently £10.75m, including £150,000 in respect of increased pension contributions.

## **Conclusion**

16. The tables on the following page gives further details as to how the 2007 Budget has been aggregated and of the payments made in 2005 to individual institutions.

**VOTE 1**

Approved Budget 2006		Academic	Projected	Academic	Draft	Academic
		Year	Out-turn	Year	Budget	Year
		2005/06	2006	2006/07(est)	2007	2007/08(est)
£	COLLEGES	£	£	£	£	£
3,488,200	College core costs	3,612,800	3,659,700	3,753,500	3,793,400	3,873,200
829,400	College variable costs	907,100	934,900	990,700	980,300	959,400
<b>4,317,600</b>	<b>Sub Total</b>	<b>4,519,900</b>	<b>4,594,600</b>	<b>4,744,200</b>	<b>4,773,700</b>	<b>4,832,600</b>
4,500	Assessment Fees	4,600	4,900	5,300	5,300	5,200
790,500	Allowances	885,200	911,700	964,500	955,000	936,200
<b>5,112,600</b>	<b>Sub Total</b>	<b>5,409,700</b>	<b>5,511,200</b>	<b>5,714,000</b>	<b>5,734,000</b>	<b>5,774,000</b>
(179,000)	Less LEA etc share	(189,300)	(192,900)	(200,000)	(200,700)	(202,100)
<b>4,933,600</b>	<b>Church Share</b>	<b>5,220,400</b>	<b>5,318,300</b>	<b>5,514,000</b>	<b>5,533,300</b>	<b>5,571,900</b>
305,000	University Fees	289,200	361,100	433,000	427,000	421,000
108,000	Long vacation allowance	121,500	121,500	129,500	129,500	125,800
<b>5,346,600</b>	<b>TOTAL COLLEGES</b>	<b>5,631,100</b>	<b>5,800,900</b>	<b>6,076,500</b>	<b>6,089,800</b>	<b>6,118,700</b>
	<b>COURSES</b>					
1,840,800	Course core costs	1,800,100	1,842,000	1,925,700	1,961,200	2,032,000
1,188,100	Course variable costs	1,200,100	1,247,200	1,341,400	1,377,000	1,448,300
3,028,900	<b>Sub Total</b>	3,000,200	3,089,200	3,267,100	3,338,200	3,480,300
6,500	Assessment Fees	5,900	6,100	6,400	6,400	6,600
469,800	Allowances	448,600	466,300	502,000	515,400	542,200
<b>3,505,200</b>	<b>Sub Total</b>	<b>3,454,700</b>	<b>3,561,600</b>	<b>3,775,500</b>	<b>3,860,000</b>	<b>4,029,100</b>
(70,100)	Less LEA etc share	(69,100)	(71,200)	(75,500)	(77,200)	(80,600)
<b>3,435,100</b>	<b>Church Share</b>	<b>3,385,600</b>	<b>3,490,400</b>	<b>3,700,000</b>	<b>3,782,800</b>	<b>3,948,500</b>
270,300	OLM	270,300	270,300	279,600	279,600	288,000
13,500	Pre-theological training	9,500	10,000	10,900	11,000	11,200
<b>3,719,000</b>	<b>TOTAL COURSES</b>	<b>3,665,400</b>	<b>3,770,700</b>	<b>3,990,500</b>	<b>4,073,400</b>	<b>4,247,700</b>
<b>36,400</b>	<b>MIXED-MODE TRAINING</b>	<b>24,300</b>	<b>25,600</b>	<b>28,400</b>	<b>28,700</b>	<b>29,300</b>
<b>160,000</b>	<b>RTPs IMPLEMENTATION</b>	<b>53,400</b>	<b>80,000</b>	<b>26,600</b>	-	-
<b>100,000</b>	<b>CURRICULUM DEVELOPMENT</b>	<b>100,000</b>	<b>100,000</b>	-	-	-
<b>150,000</b>	<b>ADD. COLLEGE SUPPPORT</b>	<b>100,000</b>	<b>82,000</b>	<b>50,000</b>	<b>34,000</b>	-
<b>£9,512,000</b>	<b>GRAND TOTAL</b>	<b>£9,574,200</b>	<b>£9,859,200</b>	<b>£10,172,000</b>	<b>£10,225,900</b>	<b>£10,395,700</b>

<b>TRAINING GRANT PAYMENTS FROM CFMT 2005</b>			
<b>COLLEGES</b>			<b>£</b>
Cranmer Hall			525,988
Mirfield			196,978
Oak Hill			579,238
Queen's College, Birmingham			181,000
Ridley Hall			639,563
Ripon College, Cuddesdon			399,374
St John's College, Nottingham			680,780
St Stephen's House			278,174
Trinity College, Bristol			473,929
Westcott House			619,375
Wycliffe Hall			747,049
St Michael's College, Llandaff			32,856
University Fees			268,883
Miscellaneous			38,702
<b>TOTAL COLLEGES</b>			<b>5,661,889</b>
<b>COURSES</b>			
Carlisle & Blackburn			86,393
EAMTC			325,391
EMMTC			145,317
NEOC			204,861
NOC			376,010
NTMTC			253,911
SAOMC			278,007
STETS			438,986
SEITE			314,900
SWMTC			181,242
WMTC			145,496
WEMTC			170,083
Miscellaneous			2,168
Pre-theological training			4,298
Course travel expenses			168,624
<b>TOTAL COURSES</b>			<b>3,095,687</b>
<b>ORDAINED LOCAL MINISTRY SCHEMES</b>			
Blackburn OLM Scheme			13,752
Canterbury OLM Scheme			15,144
Coventry OLM Scheme			10,277
Gloucester OLM Scheme			11,203
Guildford Diocesan Ministry Course			17,921
Hereford Local Ministry Scheme			7,958
Lichfield OLM Scheme			15,141
Lincoln OLM Scheme			13,982
Liverpool OLM Scheme			10,275
Manchester OLM Scheme			19,082
Newcastle OLM Scheme			13,754
Norwich OLM Scheme			17,459
Oxford OLM Scheme			18,156
St Edmundsbury & Ipswich Scheme			17,695
Salisbury OLM Scheme			16,072
Southw k OLM Scheme			23,022
Wakefield Ministry Course			15,608
<b>TOTAL OLM SCHEMES</b>			<b>256,501</b>
<b>MIXED-MODE TRAINING</b>			<b>34,720</b>
<b>REGIONAL TRAINING PARTNERSHIPS</b>			<b>73,092</b>
<b>GRAND TOTAL</b>			<b><u>9,121,889</u></b>

# 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>	24 Full-time      3 Part-time/part-funded
<u>Budget 2007 (net):</u>	£1,779,033 (including Council for Christian Unity & Research and Statistics)

### *Functions*

- Support for General Synod, the Liturgical Commission, Dioceses and Doctrine Commissions
- Support for Archbishops' Council, House of Bishops and the Appointments Committee
- Child protection issues
- Advice on Christian Unity issues
- Fostering of ecumenical work nationally & internationally
- Central Statistics and Research resource

### *Staffing*

- Secretary General
- Head of the Central Secretariat/ Clerk to the Synod
- House of Bishops – 4 staff (2 shared with Ministry/CCU)
- Liturgical and other – 3 staff
- Administrative Secretary
- Synod Support Unit – 2 staff (1 part-time)
- General Secretary to the Council for Christian Unity plus 6 staff (1 shared with HoB)
- Head of Research and Statistics plus 5 staff (1 part-time)
- 3 support staff

The Central Secretariat provides administrative support for the General Synod and its Houses. This is an exacting role 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 and internationally. The Research and Statistics Department provides a central statistics and research resource to the Archbishops' Council.

### *2007 Budget*

- A national diversity audit of parish congregations will be undertaken by the Research and Statistics Department in 2007. This will involve costs of a centrally-administered national postal survey, currently budgeted at £40,000. Equivalent savings (including the loss of one support post) are being made to allow for this.

- From the autumn of 2006, the half-time post of Child Protection Officer will be replaced by sharing with the Methodist Church the costs of them employing a National Safeguarding Adviser, to include work with both children and vulnerable adults.

## Ministry

<u>Chair:</u>	The Bishop of Norwich
<u>Director:</u>	The Ven. Christopher Lawson
<u>Number of Staff:</u>	27 (25.1 FTE) and 4 (1.1 FTE) Honorary staff
<u>Budget 2007:</u>	£1,445,094

### *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*

- Director
- Finance and Administrative Secretary
- Deployment, Remuneration and Clergy Service Conditions Secretary plus 2 staff
- 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
- Inspections Officer (0.5)
- Grants Officer plus Assistant
- Finance and Statistics Officer and Registry Officer
- 8.1 (FTE) support staff

### *Honorary Staff*

- 0.2 Honorary Secretary Central Readers Council
- 0.2 Associated Honorary Secretary Central Readers Council
- 0.5 Honorary National Moderator for Reader Training
- 0.2 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 1,500 in training for the ordained ministry and 1,200 in Reader training. The Ministry Division is responsible for their recruitment and selection and for setting the national standards. It 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 52 conferences a year involving over 350 selectors. It also administers the budget of £10 million for ordination training costs.

The Division's remit extends to Church-wide ministerial strategy including terms and conditions of employment, 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 of and among deaf and disabled people which also includes the brief for wider disability issues within the Church.

### *2007 Budget*

- Increased support for Vocations from Young People is provided for.

## **Education (with the National Society)**

<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. 1 officer is part funded from National Society projects 1 adviser is half funded by the Methodist Church 1 adviser is funded from the DfES grant for youth work (additional NS and other staff support the work of the Division)</i>
<u>Budget 2007 (net):</u>	£623,309

### *Functions*

The Education Division comprises the Chief Education Officer and three teams:

- Life-Long Learning Team: supporting issues of chaplaincy and values in Further and Higher Education
- Schools Strategy Team: all aspects of Church schools; Religious Education and collective worship in all schools; independent schools; Church universities and colleges
- Training and Development Team: the Church's work among children and young people, lay discipleship and shared ministry.

### *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 Head of School Development, Head of School Improvement, School Support Officer and one executive assistant

- Training and Development team comprising 2 Youth Advisers, Children’s Adviser, Lay Discipleship and Shared Ministry Adviser and two executive assistants

The Division leads on the Church’s education policy enabling it to:

- take life-long learning seriously and to work in the new learning partnerships
- develop 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, 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 consultations, information about new developments, training, and local and national events. The Division’s staff work closely and interactively with diocesan staff.

The National Society continues to work very closely in partnership with the Education Division, supports the work of diocesan education teams, trains inspectors for the Statutory Inspection of Anglican Schools (SIAS), and supports a major fund-raising campaign for more church secondary schools.

#### *2007 Budget*

- The youth work grant from the Department for Education and Skills for the year 2006-7 will be £139,838. Part will be retained centrally to cover the salary and on-costs of one of the two youth advisers. The balance funds youth projects in dioceses, in partnership with the Church Urban Fund and CMEAC. The Home Office has made a grant of £25,000 to a project on multi-faith HE chaplaincy managed by the Division.
- The Methodist Church pays half the costs of the Churches’ FE Adviser post and 25% of associated support staff cost. The Head of School Development post is part-funded via the National Society from the fund-raising campaign for church schools, support for which is a significant aspect of the work.

## **Mission and Public Affairs**

<u>Chair:</u>	Dr Philip Giddings
<u>Director:</u>	John Clark
<u>Number of Staff:</u>	25 staff (20.7 FTE)
<u>Budget 2007 (net)</u>	£1,245,128

#### *Functions*

Under the oversight of the Mission and Public Affairs Council, the staff of the division are responsible for the national dimension of the Archbishops’ Council’s work to ‘co-ordinate, promote, aid and further the work and mission of the Church of England’ in the following areas:

- The Church's engagement with social, political and 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 support of minority ethnic Christians in the Church of England, and their contribution to its life and witness and confronting the reality of racism;
- The work of Hospital Chaplaincy and the Church's relations with the Department of Health, the National Health Service and Trusts, and the provision of professional training and Continuing Professional Education for Chaplains.

In carrying out this work its responsibilities include

- advising the Archbishops' Council, the General Synod and the House of Bishops;
- working with dioceses, Government, the numerous relevant diocesan networks and the Church's voluntary societies involved in work in England and internationally;
- relating to appropriate ecumenical and international Churches and agencies on issues relating to the Church's mission and role in public life.

### *Staffing*

The staff of the division are located on four sites and include:

- **The Director**
- **Community and Public Affairs** comprising the Adviser for Minority Ethnic Anglican Concerns; Adviser for Marriage and Family Policy; Community and Urban Affairs Adviser; Science, Technology Medical Ethics and Environmental Issues Adviser; International Relations Adviser; Home Affairs Adviser.
- **Mission** comprising National Evangelism Adviser, Mission Theology Adviser; Partnership Secretary (part-funded by mission agencies); National and New Religious Movements and Alternative Spiritualities Adviser; National Inter Faith Relations Adviser (now a shared post with Lambeth); National Rural Officer (part-funded externally);
- **Hospital Chaplaincy Team**, consisting of the Chief Executive, the HCC Training and Development Officer and the Training co-ordinator/Web mistress.
- **Administrative and support staff**

### *2007 Budget*

- The budget reflects continuing external funding towards the National Rural Officer post and the HCC Training and Development Officer.

- Non-staff costs include limited provision for buying in external advice on economic policy issues and other projects assistance, which are best provided through outsourcing and buying in rather than employing part-time permanent members of staff.

## Cathedrals and Church Buildings

<u>Chair:</u>	The Bishop of London
<u>Director:</u>	Paula Griffiths
<u>Number of Staff:</u>	16 full-time posts Two additional part-time volunteers
<u>Budget 2007 (net):</u>	£718,240

### *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*

- Director, Deputy Head, Policy Officer and personal secretary
- Cathedrals section comprising 2 staff
- Casework & Law section comprising 3 staff
- Conservation section comprising 3 staff
- 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 Cathedrals & 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 savings 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. 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 other Divisions 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 a statutory body. It oversees the operation of the legislative system for the care of cathedrals. It seeks to ensure that 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.

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

## Finance

<u>Chair:</u>	Michael Chamberlain
<u>Director:</u>	Vacant
<u>Head:</u>	Mark Humphriss (Financial Policy) John Preston (Stewardship & Resources)
<u>Number of Staff:</u>	11 Full-time      3 Part-time/ part-funded <i>Note: Additionally, 13 staff (inc. 2 part-time) in Clergy Pay are managed on behalf of the Church Commissioners.</i>
<u>Budget 2007 (net):</u>	£588,602

### *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 cost allocation

### *Staffing*

- NCI Director of Finance (shared with other NCIs)
- Head of Financial Policy, Management Accountant plus 4 staff (1 part-time)
- National Stewardship and Resources Officer
- 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 as well as more informally.

The Division supports the Finance Committee and three sub-committees covering Stewardship and Resources; the CBF Funds (managed by 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 Division has responsibility for preparing a Financial Memorandum for each General Synod session.

The Crockford 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 (which will be marking its 100<sup>th</sup> edition in 2007).

## **Accounts**

<u>Head:</u>	Paul Burrage
<u>Number of staff:</u>	21.7 Accounts, 5 Payroll
<u>Budget 2007 (net):</u>	£252,355

### *Functions*

- General accounting services including central processing of accounts documents, 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, Church Commissioners' and Pensions Board financial statements
- Asset accounting services for the Church Commissioners
- Administering loans and mortgages
- Administering trust funds

### *Staffing*

- Chief Accountant
- Head of Financial Accounting and 9.2 Accounts and Support staff
- Systems Accountant
- 2 Financial Accountants
- VAT Officer and Tax Manager

- Cashier and 2.5 staff
- Asset Accountant and 5.5 staff
- Payroll Manager and 4 staff

The Accounts department seeks to provide an efficient and cost effective accounting service to the National Church Institutions. All accounting services, including financial accounting, accounts processing, treasury and cash management and asset accounting, and maintaining accounting records are provided for the Archbishops' Council, the Church Commissioners, the Pensions Board and the National Society.

The implementation of the new Finance System (SAP) during 2006 is the catalyst to the re-structure of the Accounts department and the realisation of the rationale for centralising Accounts functions over two years ago, including the standardisation of procedures across the NCIs.

Final details of the resultant department structure will not become evident until SAP has been operational for some months during which time it will be possible to assess the volumes and pattern of processing.

The benefits should not be considered purely as cost driven but also the provision of a more timely, efficient and informative service. However, certain savings (primarily from not appointing to posts currently held by temporary staff) have already been reflected.

## Internal Audit

<u>Head:</u>	Kim Parry
<u>Number of Staff:</u>	6 Full-time
<u>Budget 2007 (net):</u>	£79,756

### *Functions*

- independent, objective assurance on governance, risk management and internal control for the NCIs
- and for dioceses that wish to purchase such services
- consultancy, advocacy and advice to management
- management of the risk identification and mitigation reporting processes
- secretariat to the Archbishops' Council and Church Commissioners' audit committees

### *Staffing*

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

Internal auditing is established as a service for the Church of England. Its customers are the Church Commissioners, the Church of England Pensions Board, the Archbishops' Council, including the common services provided to all the NCIs, several diocesan offices and other church agencies. 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 to each organisation's management and activities, and assess whether the organisation's goals and objectives will be achieved efficiently and economically. Generic advice on governance and risk management is available to dioceses and other church 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.

#### *2007 Budget*

- The budget assumes a level of service agreed with the chairmen of the NCI audit committees and with other customers (at present, certain dioceses in the South-East) participating in the service provided within a framework agreement. This allows for an increase of one post.

## **Legal Office**

<u>Director:</u>	Stephen Slack
<u>Number of Staff:</u>	13 full-time; 2 part-time (including 3 proposed replacements/ new posts) 1 Locum solicitor (Terrier/Voluntary registration)
<u>Budget 2007 (net):</u>	£ 629,998

#### *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 (Terrier and voluntary registration projects and ecclesiastical property)
- Corporate and company 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
- Standing Counsel to the General Synod (part time)
- Consultant to the Synod Team (part time)
- Clergy Discipline 'Designated Officer' (Barrister)
- 5 Solicitors/Barristers (incl. Deputy Official Solicitor)
- 2 Solicitors Terrier/Voluntary Registration (one a locum)
- 4 Support staff (including 2 new posts)

The Legal Office will continue to provide legal services and support to all the national Church institutions. Following a decision by the Church Commissioners to outsource their conveyancing work, property work and advice will largely be restricted to ecclesiastical property and work on the Church Commissioners' Terrier and voluntary registration project. In terms of volume of business, use will be split almost equally between the Church Commissioners and the Archbishops' Council.

The Legal Office will deal with ecclesiastical law, the preparation of Church legislation, 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.

### *2007 Budget*

- 2007 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 Measure, the Review of Clergy Terms and Conditions of Service, and the Marriage Law Review Group. Substantial work will also be required in relation to the conduct of investigations and tribunal hearings under the provisions of the Clergy Discipline Measure; and the implementation of the non-legislative recommendations of the Review of Clergy Terms of Service.

## **Communications**

<u>Director:</u>	Peter Crumpler
<u>Number of Staff:</u>	10 Full-time
<u>Budget 2007 (net):</u>	£453,126

### *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
- Responds to Public enquiries

### *Staffing*

- Director of Communications
- 2 press officers and 1 assistant press officer (also dealing with public enquiries)
- 1 broadcasting policy/press officer
- 2 staff involved in training, diocesan liaison and communications projects
- 1 staff on public affairs/internal communications activity
- Electronic-Communications Officer
- 1 administrative/secretarial support staff

The Communications Office 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. It continues to develop 'Mission-shaped Communications', based on making the Office's operations mission-orientated, professional, proactive and integrated.

For the Archbishops' Council, the Office'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 re-launch 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.

### *2007 Budget*

- Following the departure of five members of the team in 2005/6, the opportunity has been taken in recruiting and appointing their successors to re-focus their job content to reflect the emphasis on forwarding the 'Mission-shaped Communications' initiative.
- During the year, the Office will continue to take forward that initiative, devoting resources to providing an increasingly proactive media service, and identifying new means of communicating the Church's mission, including the further development of the new website.
- Because of the move out of Church House in 2005, the Office's training operation has been hosting courses in other parts of London and in Manchester. Income from hiring out the Church House facilities has been lost as a result, and the refurbished facilities will not be fully available again until February 2007.
- The Office will be increasing the co-ordination and support for the work of the diocesan communicators, and developing the Office'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>	8.1 Full-time equivalent
<u>Budget 2007 (net):</u>	£279,516

### *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 Administrator
- HR and IT Information Adviser
- Health and Safety Adviser (part-time)
- 2 interim HR Advisers (Bishops and McClean)

The Human Resources department aims to deliver efficient and cost effective HR services, including support for recruitment, in relation to the nearly 500 staff employed by the NCIs, the further 400 staff solely employed by the Church Commissioners or Pensions Board and the 170 staff of diocesan bishops.

The 2007 business plan reflects funding required for the continuation of the posts that support bishops and the McClean project. There are some small additional costs for the maintenance and updating of pay system data and occupational health development (to permit pre-employment screening in future for all NCI posts).

## **Information Technology**

<u>Head:</u>	John Ferguson
<u>Number of staff:</u>	16.5 Full-time equivalent
<u>Budget 2007 (net):</u>	£409,503

### *Functions*

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

### *Staffing*

- IT Manager
- Deputy IT Manager (until March 2007)
- 7 Technical & IT Support
- 5 Analyst Programmers & Systems Analysts
- IT Trainer
- IT Financial Support
- Computer Control

The department provides a comprehensive range of IT and Communications services to the NCIs. This includes technical support on any software or hardware issue and assistance with the development and/ or implementation of IT and communication 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. An example of this is the Clergy Payments System that pays all the clergy on the central payroll and pensioners.

The department has created, and 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.

#### *2007 Budget*

- The budget reflects the upgrading of the warm disaster recovery site at Bermondsey to add resilience following the introduction of the new NCI finance system and the new Pensions Administration system.

## **Records**

<u>Head:</u>	Declan Kelly
<u>Number of Staff:</u>	7 full-time 2 part-funded
<u>Budget 2007 (net):</u>	£ 98,650

#### *Functions*

- Records management services for the administrative records of the NCIs - low-cost off-site storage, efficient retrieval and controlled disposal
- Advice to departments on paper and electronic records management
- Archival cataloguing of CERC holdings
- Title research for glebe property on behalf of the 43 mainland dioceses
- Public access to historical archives through the reading room at Lambeth Palace Library
- Answering public enquiries concerning the archives of the NCIs

#### *Staffing*

- Director (60% funded by Lambeth Palace Library)
- 4 Archive/Records Management staff
- 1 Workflow Coordinator and Site Manager
- 2 Customer Service staff
- Database manager (50% funded by Lambeth Palace Library)

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. Archival cataloguing of CERC holdings is an increasingly important priority. Deeds and other materials are also stored at the Record Centre and advice and support is provided to departments on paper and electronic records 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 diocesan registries in England.

## 2007 Budget

- The staffing levels of the Records Centre have been reduced from 18 in 2001 to 7.4 fte in 2006. For 2007 a modest increase in resources equivalent to one band 5 post is proposed in conjunction with Lambeth Palace Library to provide database management support to the various IT applications at the two sites. Non-staff costs at CERC will be held below 2006.

## Church House Publishing

<u>Head:</u>	Thomas Allain-Chapman	
<u>Number of Staff:</u>	7 full-time	6 part-time
<u>Budget 2007 :</u>	Sales	£1,150,000
	Trading surplus:	£15,553
	Net deficit:	£863 (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
- New Media Manager plus Assistant
- Book Product Development Manager & Commissioning Editor (part-time)
- Editorial Manager (part-time) plus Editor (part-time)
- Production Manager (part-time) plus Production Editor (part-time)
- Marketing Manager (part-time) plus Marketing Executive
- Sales Manager plus Sales Executive

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 the internet and direct mail to clergy and lay leaders. The department has a strong e-publishing programme and also generates income for the Archbishops' Council by selling publishing services to external organisations such as 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.

### 2007 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). This effect is likely to be particularly dramatic in 2007, which sees the 150<sup>th</sup> anniversary of the first Crockford and the 100<sup>th</sup> edition.

- CHP budgeted sales for 2007 are £1,150,000 (5% up on 2005). This is based on strong anticipated revenue from the 100<sup>th</sup> edition of Crockford (comparable to the boost in sales of the “Millennium” edition in 1999), increasing e-publishing revenues from the *Visual Liturgy* subscription service and more rigorous commercial focus in general books. 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, with sales via the CHP website giving a lower discount following the transfer of ownership of Church House Bookshop.
- Conservative estimates have been made on royalty income and income generation (fees received for work undertaken for external organisations) based on the 2005 actuals.
- A staffing restructure begun in 2005 will be completed in 2006, reducing the team by 2 to 11.3 fte at the start of 2007, with a further team member due to retire in mid-2007. Tougher criteria will be adopted on the selection of publications and the focus will be on those that are not only the most important strategic publications for the mission of the Church but that can also generate significant turnover and profit.
- The staff of the publishing department also undertake work for other AC departments that has nothing to do with generating sales income on the trading account (for example on the production of free literature). Staff time on such work is estimated at £20,000. A system of cross-charging departments is under consideration.
- As a consequence of the efficiencies achieved by the introduction of the new NCI finance system in 2006, the department no longer bears a £31,000 charge for accounting services.

## Office Services

<u>Head:</u>	John Ferguson
<u>Number of Staff:</u>	16.5 Full-time equivalent
<u>Budget 2007 (net):</u>	£261,931

### *Functions*

- Mapping
- Telephone System Management
- Insurance
- Xerox & Printing
- Telephonists/reception
- Office supplies

### *Staffing*

- Office Services Manager
- Office Services site supervisor Millbank. (Post transferring to Church House early 2007)
- 4 Office Services staff (reduction to 2 from mid 2007)
- 3 Mapping staff

- 3 Reprographics staff
- 2 Telephonists/Reception
- Van Driver/ Messenger
- Meeting Room Steward

Office Services continues to provide central photocopying facilities ensuring that most copying is done economically, in-house. The telephone system covers all the NCIs. The mapping department remain heavily involved with the Church Commissioners' property terrier project to record and register electronically the rural and agricultural portfolio. The Office Services Managers are the Health & Safety Officers for their respective sites, performing these functions alongside their other duties.

#### *2007 Budget*

- Arising from the closure of 1 Millbank at the start of 2007, two posts (currently occupied by temporary staff) will go.
- The responsibility for providing post room and messenger services at Church House in 2007 rests with the Corporation of the Church House. The budget therefore assumes that the two staff carrying out these functions at present at Millbank will transfer to the Corporation's employment at the start of 2007.
- Provision has been made for Fidelity Guarantee/Corporate Crime insurance premiums following our request to AON for a quotation for a new NCI-wide policy.

## **Accommodation**

<u>Budget 2007 (net)</u>	£1,353,994
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The Archbishops' Council pays rent and service charge to The Corporation of the Church House in respect of the area it occupies. The costs of rent and service charge and other building-related costs are shared out according to the space occupied by each tenant of Church House. Although it has been agreed that the rent payable to the Corporation will increase by 15% to reflect the increased useable space at Church House following the works, the co-location of all staff currently at 1 Millbank from early 2007 results in a substantially lower net cost to the Council. 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.

#### *2007 Budget*

- A saving of around £450,000 accrues to the Council from the apportionment of rent and service charge across all those occupying Church House.
- The budget allows for the Council's 2007 share of the tenants' costs as part of the refurbishment (much of which is being depreciated over a ten year period).

## Grants (Vote 3)

<u>Budget 2007:</u>	£1,522,100
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1. This budget encompasses national Church of England contributions to Anglican Communion and Ecumenical activities and other miscellaneous grants (including towards the cost of clergy between posts or additional removal costs when moving to or from the mainland).
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 amount due to both CTE and CTBI is now paid over as a single figure to CTBI under the agreed principle of consolidated subscriptions. The amounts paid by each denomination are currently being reviewed. Moreover, the roles carried out by CTBI are reducing and its governance structure is changing in 2006. The funding arrangements for Churches Commission on Mission have not yet been finalised either but it is assumed that this will form part of the consolidated subscription.
5. The Archbishops' Council decided in 2004 that its contributions to the WCC should be frozen for the foreseeable future for a number of reasons. Other than for the WCC and CTBI/CTE, it is proposed that there should be an underlying increase of 3% over the 2006 level.
6. National support through this budget is provided towards the administrative costs of the Church Urban Fund (CUF). An increase of 3% is provided for in the level of the Council's grant from Vote 3, which forms part, in 2006 and 2007, of the higher level of support, totalling £1m p.a. to which the Council has committed itself. The total commitment made is £3m over a three or four year period and the balance is being funded by the Council from that part of the Church Commissioners' income which it distributes.
7. The most significant factor explaining the increase in Vote 3, as last year, concerns the Legal Aid Fund. There has been significant expenditure arising from cases in 2005 amounting to around £150,000. 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.
8. The Church Commissioners are empowered by Measure to contribute to the Legal Aid

Fund and currently pay 50% of the costs arising. The Commissioners' Board, however, decided in February 2005 that they needed to withdraw this assistance and are doing so on a phased basis, paying 33% of the costs in 2007, 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 (perhaps of the order of £500,000 p.a.) but this is of course very difficult to estimate and may vary substantially from year to year. 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 2007 to £300,000.

9. The effect of these changes is a budget for 2007 showing a 10.4% increase in the level of apportionment over 2006.
10. The detailed analysis is as follows:-

	Actual 2005 £	Budget 2006 £	Budget 2007 £
<b>Anglican Communion Activities</b>			
Inter Anglican Budget	370,500	381,600	393,000
	<u>370,500</u>	<u>381,600</u>	<u>393,000</u>
<b>Ecumenical Activities</b>			
Churches Together in Britain and Ireland	382,250	383,000	410,000
Churches Commission on Mission	35,600	36,700	-
World Council of Churches	108,000	108,000	108,000
WCC Assembly	20,000	35,000	-
Conference of European Churches	74,300	76,500	78,800
Expenses of representatives	18,472	30,000	16,000
	<u>638,622</u>	<u>669,200</u>	<u>612,800</u>
<b>Miscellaneous</b>			
Church Urban Fund	180,250	185,700	191,300
Legal Aid Fund	50,995	150,000	300,000
Minor Grant Schemes	31,483	30,000	25,000
	<u>262,728</u>	<u>365,700</u>	<u>516,300</u>
<b>TOTAL</b>	<b>1,271,850</b>	<b>1,416,500</b>	<b>1,522,100</b>

# Mission Agencies

## Clergy Pension Contributions (Vote 4)

- Vote 4 provides for the pension contributions in respect of clergy who are employed by the mission agencies. It represents the only direct financial support that the national Church gives to the mission agencies. Under an agreement ratified by General Synod in July 2004, the maximum amount made available to the mission agencies is capped; 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 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.
- Expenditure on the pension contributions payable under this vote in 2005 was just £658,406 against a budget of £735,753. It is forecast that in 2006 expenditure might be even lower than this, based on the substantial further reduction that occurred in 2005 in the number of clergy employed by the mission agencies. This is a far greater reduction than was assumed when the 2006 Budget was prepared and will lead to a significant surplus in 2006 (predicted at this stage at £115,000). A nil apportionment increase in 2007 is proposed due to this surplus even though, with the increase in the contribution rate from January 2007, the cost in 2007 might be of the order of £770,000. It is expected that there will then be a further increase in Vote 4 expenditure from 2008, given the projected increase in the cost of the clergy pension contribution rate, to the maximum allowable under the capped arrangements (which will by then be around £800,000). Reserves will again be able to soften the impact on apportionment in 2008-9.

<b>SOCIETY</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>2005</b>	<b>2006 (Q1)</b>
Crosslinks	19	17	14.5	15	18	17
CMS	29.5	29	30	30	19	19
CPAS	15	12.5	11.5	10	10	9
Community of St Mary	1	1	1	1	0	0
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	11	10	10
South American Mission Society	23	22.5	20	16	15	14
USPG	39	33	26.5	22	19	19
Church Army	6	6	5	7	4	4
Churches Ministry Among Jews	4	4	3.75	2	2	2
SOMA	1	1	1.25	2	2	1
Papua New Guinea Church	1	0	1.75	2	1	1
Inter-Continental Church Society	6.5	9.5	9.5	9	5	5
<b>TOTALS</b>	<b>173</b>	<b>163.5</b>	<b>143.25</b>	<b>128</b>	<b>106</b>	<b>102</b>

## 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 option of the scheme through which a property is purchased on an equity sharing basis. Applicants with insufficient capital may use the rental option 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 2005 the total properties in management was 2735 (mortgage 1482, rented 1253) 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 by about 10%.
5. The actual expenditure for 2005 reflects the fact that no new mortgages were granted in the first six months of the year pending the Board's registration with the Financial Services Authority.
6. The Board carried out a comprehensive review of the scheme following the concerns expressed at the Inter-Diocesan Finance Forum in Spring 2004. Its recommendations are now being implemented.
7. 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 the steps which the Board has already authorised to bear down on the costs of the scheme.
  - a. The number of properties in management has been projected to reduce over the projection period by 10 per annum, following the planned reduction in void properties. The Board authorised during 2005 a reduction in the number of vacant properties held at any one time. It is, however, impossible to gauge how the economic climate may change over the next five years and 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 underlying rate of inflation throughout the five years has been assumed to be 3% in line with the current assumptions. There are however certain costs that can reasonably be expected to rise by more than the rate of inflation.
  - c. It should be noted that the Board has direct control over less than 45% of the expenditure relating to the CHARM scheme.

- d. It has been agreed that beneficiaries of the CHARM scheme will, between 2006 and 2009, take over the responsibility for the water rates. This will produce a saving of about £130,000 in each of the three years, i.e. £390,000 in total which has been reflected in the figures.
8. Previous projections for Vote 5 have shown overall subsidy costs increasing by around 10% p.a. As a result of the steps already taken to reduce expenditure, the subsidy cost is projected to stay essentially the same over the period 2005-2008. Beyond 2008 the trend is for increases of around 4.5% p.a. as above-inflationary increases in the amount paid in financing charges and for repairs will feed directly through into higher subsidy levels given the cap on the proportion of rent out of total pensioners' income. Further steps are being taken to put into place new more cost efficient conveyancing arrangements and to review property management arrangements with a view to increasing efficiency and reducing costs.

	Actual 2005 £000	Budget 2006 £000	Forecast 2006 £000	Budget 2007 £000	Forecast 2008 £000	Forecast 2009 £000	Forecast 2010 £000
<i>Income</i>							
Properties in management	1,253	1,335	1,240	1,220	1,200	1,190	1,180
Rent	4,391	4,530	4,444	4,503	4,562	4,660	4,760
<b>Expenditure</b>							
<b>Controlled by CCE:</b>							
Interest on Loans - payable to Church Commissioners	3,145	3,315	3,183	3,225	3,268	3,338	3,409
<b>Controlled by CEPB:</b>							
Building repairs & maintenance (net of capitalised improvements)	2,361	2,423	2,294	2,370	2,448	2,549	2,654
Other expenses	773	666	672	568	460	479	499
Total CEPB Expenditure	3,134	3,089	2,966	2,938	2,908	3,028	3,153
Total expenditure	6,279	6,404	6,149	6,164	6,176	6,366	6,562
Net deficit	1,888	1,874	1,705	1,660	1,614	1,706	1,802
Administrative expenses	1,075	1,023	1,023	1,053	1,085	1,118	1,152
Add mortgage scheme costs	107	214	220	227	234	241	248
Total revenue subsidy	3,070	3,111	2,948	2,940	2,933	3,065	3,203

### 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 are assumed to increase by 3% per annum in line with inflation, clergy stipends and State pensions. The additional income

generated by new beneficiaries paying 30% of their income as opposed to the 25% previously has only a minor mitigating effect.

- B. The interest payable to the Church Commissioners on the value-linked loans accounts for more than 50% of the expenditure on CHARM. 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 as 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; and as building repairs capitalised in the previous year attract interest from the Church Commissioners because they fund the increased capital value. The Board's Secretary conducted negotiations with the Church Commissioners regarding the terms of the Board's loan facility during 2005. However, the Commissioners were not prepared to vary the terms currently in place.
- C. The expenditure on building repairs and maintenance is based on the average cost per property in 2005, increasing by around 4% per annum. This is a lower rate of increase than that shown in earlier projections because the Board is taking steps to hold down this area of expenditure. However, it still has to take account of 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 ingoing works.
- 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 ingoing works on new lettings.
- D. Other expenses include water rates, council tax and insurance. In recent 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 and so 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.
- E. 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.
- F. 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 five 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), a three year rolling reserve was created as recommended by "Managing Planned Growth" to smooth out future fluctuations in expenditure. This stands at £735,000 following recent Vote 1 surpluses. The Finance Committee has endorsed the recommendation of the Ministry Division Finance Panel that the appropriate level for the time being is a maximum of £400,000. However, current projections envisage that the balance in the rolling reserve will fall below £300,000 by the end of 2006.

No changes have been made to the reserves policy levels. It will be seen that at present none of the reserves are above the maximum level (other than the Vote 1 rolling reserve). There are not, therefore any surplus funds available this year to return to dioceses.

	<b>Minimum</b>	<b>Maximum</b>	<b>Actual (31/12/05)</b>
Vote 1	1.5 months' net expenditure (£1.16m at 2005 levels)	3 months' net expenditure (£2.32m at 2005 levels)	£1.67 million (excluding rolling reserve)
Vote 2	1.5 months' net expenditure (£1.20m at 2005 levels)	3 months' net expenditure (£2.39m at 2005 levels)	£1.31million (excluding designated funds)
Vote 3	£150,000	£300,000	£166,000
Vote 4	£50,000	£200,000	£41,000
Vote 5	-	£250,000	£103,000

# Table of Apportionment for 2007

Diocese	Training for Ministry	National Church Responsibilities	Grants & Provisions	Mission Agency clergy pension contributions	CHARM	Total Votes 1-5	Pooling of 2005 candidates costs	Total Net Apportionment
	<b>VOTE 1</b>	<b>VOTE 2</b>	<b>VOTE 3</b>	<b>VOTE 4</b>	<b>VOTE 5</b>			
	£	£	£	£	£	£	£	£
Bath & Wells	279,853	275,089	42,213	20,523	80,615	698,293	14,236	712,529
Birmingham	154,753	152,118	23,343	11,349	44,578	386,141	6,581	392,722
Blackburn	218,160	214,446	32,907	15,998	62,843	544,354	15,528	559,882
Bradford	85,460	84,005	12,891	6,267	24,618	213,241	(55,167)	158,074
Bristol	161,048	158,306	24,292	11,810	46,392	401,848	19,816	421,664
Canterbury	158,844	156,140	23,960	11,649	45,757	396,350	23,836	420,186
Carlisle	138,018	135,668	20,819	10,121	39,758	344,384	27,603	371,987
Chelmsford	376,832	370,416	56,841	27,634	108,550	940,273	21,551	961,824
Chester	340,551	334,753	51,368	24,974	98,099	849,745	(6,586)	843,159
Chichester	432,395	425,034	65,222	31,709	124,556	1,078,916	37,487	1,116,403
Coventry	171,591	168,669	25,883	12,583	49,428	428,154	(8,733)	419,421
Derby	156,045	153,388	23,538	11,443	44,950	389,364	(17,424)	371,940
Durham	146,424	143,931	22,086	10,738	42,179	365,358	13,135	378,493
Ely	180,117	177,051	27,169	13,209	51,885	449,431	(89,049)	360,382
Exeter	238,397	234,338	35,960	17,482	68,673	594,850	29,898	624,748
Gloucester	210,712	207,124	31,783	15,452	60,698	525,769	3,579	529,348
Guildford	325,285	319,747	49,066	23,854	93,702	811,654	15,480	827,134
Hereford	114,032	112,091	17,200	8,362	32,848	284,533	10,847	295,380
Leicester	144,825	142,359	21,845	10,620	41,718	361,367	(7,727)	353,640
Lichfield	306,553	301,334	46,240	22,481	88,306	764,914	34,781	799,695
Lincoln	232,156	228,204	35,018	17,025	66,875	579,278	23,841	603,119
Liverpool	206,333	202,820	31,123	15,131	59,436	514,843	14,144	528,987
London	793,630	780,119	119,710	58,200	228,613	1,980,272	(169,514)	1,810,758
Manchester	250,737	246,468	37,821	18,387	72,227	625,640	(44,555)	581,085
Newcastle	112,489	110,574	16,968	8,249	32,404	280,684	6,914	287,598
Norwich	192,620	189,340	29,055	14,125	55,486	480,626	34,919	515,545
Oxford	619,577	609,029	93,456	45,436	178,475	1,545,973	(99,384)	1,446,589
Peterborough	177,931	174,902	26,839	13,048	51,255	443,975	13,789	457,764
Portsmouth	130,417	128,197	19,672	9,564	37,568	325,418	14,466	339,884
Ripon & Leeds	142,460	140,034	21,488	10,447	41,037	355,466	18,199	373,665
Rochester	283,768	278,936	42,803	20,810	81,742	708,059	15,633	723,692
St Albans	380,829	374,346	57,444	27,928	109,702	950,249	25,124	975,373
St Eds & Ips	177,442	174,421	26,765	13,012	51,114	442,754	22,731	465,485
Salisbury	311,213	305,914	46,943	22,822	89,648	776,540	13,911	790,451
Sheffield	136,563	134,238	20,599	10,015	39,338	340,753	27,901	368,654
Sodor & Man	22,121	21,745	3,337	1,622	6,372	55,197	(7,118)	48,079
Southwark	448,512	440,876	67,653	32,891	129,198	1,119,130	12,628	1,131,758
Southwell	144,880	142,414	21,854	10,625	41,734	361,507	98	361,605
Truro	110,265	108,388	16,632	8,086	31,763	275,134	16,135	291,269
Wakefield	140,990	138,590	21,266	10,339	40,614	351,799	24,711	376,510
Winchester	313,232	307,899	47,247	22,970	90,230	781,578	16,357	797,935
Worcester	164,031	161,237	24,742	12,029	47,251	409,290	6,452	415,742
York	235,249	231,244	35,485	17,253	67,765	586,996	(62,100)	524,896
Europe	-	-	-	-	-	-	(14,954)	(14,954)
Armed Forces	23,560	23,158	3,554	1,728		52,000		52,000
<b>TOTALS</b>	<b>10,090,900</b>	<b>9,919,100</b>	<b>1,522,100</b>	<b>740,000</b>	<b>2,900,000</b>	<b>25,172,100</b>	<b>-</b>	<b>25,172,100</b>

## Forecast 2008-10

The following table sets out the current projection for 2008-10. It assumes that the numbers in training (Vote 1) remain broadly stable at their projected 2007-8 level. The above-inflation increases projected in Vote 3 relate to further annual increases in 2008 and 2009 in the amount set aside for Legal Aid, as a result of the implementation of the Clergy Discipline Measure and the phased withdrawal of the Church Commissioners' support of Legal Aid costs in 2007-9. The Vote 5 increase projected for 2009 is slightly higher than the forecast expenditure increase of 4.5% as it is intended to run down Vote 5 reserves to a modest extent in 2007 and 2008.

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.

<b>Vote</b>		<b>2008 % increase</b>	<b>2009 % increase</b>	<b>2010 % increase</b>
Vote 1	Ordination Training	4.5%	3.7%	3.2%
Vote 2	National Support	3%	3%	3%
Vote 3	Grants (inc. Legal Aid)	10.4%	6.6%	3.5%
Vote 4	Mission Agencies Clergy Pensions	4%	3.9%	5%
Vote 5	CHARM subsidy/admin costs	0%	5.7%	4.5%
	Overall Apportionment	3.7%	3.8%	3.3%

# Budget Summary (gross)

## Archbishops' Council Budget For the year 2007

	Actual 2005 £	Budget 2005 £	Budget 2006 £	Forecast 2006 £	Budget 2007 £
<b>Training for Ministry</b>					
Income	(218,009)	(120,000)	(145,000)	(125,000)	(135,000)
Expenditure	9,121,889	9,416,240	9,512,000	9,859,217	10,225,900
	8,903,881	9,296,240	9,367,000	9,734,217	10,090,900
Less Diocesan Contributions	Vote 1 (9,177,096)	(9,171,240)	(9,267,000)	(9,267,000)	(10,090,900)
Movement (to)/from Rolling Reserve	(273,215)	125,000	100,000	467,217	0
Rolling reserve brought forward					
<b>National Church Responsibilities</b>					
Income	(7,644,518)	(8,152,869)	(7,304,791)	(6,566,878)	(7,233,694)
Expenditure					
Central Secretariat	1,602,077	1,686,174	1,710,861	1,710,861	1,791,783
Ministry Division	1,307,564	1,324,588	1,401,400	1,410,850	1,470,094
Board of Education	698,656	791,698	840,183	719,118	761,071
Mission & Public Affairs	1,248,686	1,307,467	1,313,884	1,283,036	1,399,728
Cathedral and Church Buildings	782,591	873,229	908,783	843,175	911,314
Finance	655,164	654,276	699,714	656,321	738,747
Accounts	1,464,170	1,451,588	1,535,436	1,416,938	1,307,983
Internal Audit	190,316	189,143	250,995	230,942	331,861
Legal	1,459,118	1,526,691	1,634,337	1,107,263	1,030,880
Communications Unit	512,167	600,192	632,581	585,570	651,585
Human Resources	541,224	530,007	600,593	590,501	647,640
Information Technology	958,941	1,030,591	1,039,189	1,000,336	995,382
Records	324,616	320,257	351,623	350,134	381,749
Church House Publishing	1,264,239	1,310,632	1,119,925	1,192,429	1,240,863
Church House Bookshop	851,738	930,495	0	0	0
Office services	789,292	850,988	777,558	678,717	677,038
Accommodation	2,145,390	2,299,277	2,535,828	2,387,619	2,765,075
Contingency	5,500	50,000	75,000	50,000	50,000
	16,801,451	17,727,294	17,427,892	16,213,811	17,152,794
Less Diocesan Contributions	Vote 2 (9,580,235)	(9,574,425)	(9,919,100)	(9,919,100)	(9,919,100)
Movement (to)/from Reserves	(423,303)	0	204,000	(272,167)	0
<b>Grants and Provisions</b>					
Expenditure	1,271,850	1,271,850	1,416,500	1,409,500	1,522,100
Diocesan Contributions	Vote 3 (1,273,509)	(1,271,850)	(1,416,500)	(1,416,500)	(1,522,100)
Movement (to)/from Reserves	(1,659)	0	0	(7,000)	0
<b>Mission Agency / Clergy Pensions</b>					
Expenditure	658,406	735,753	740,332	625,000	770,000
Diocesan Contributions	Vote 4 (675,867)	(675,000)	(740,000)	(740,000)	(740,000)
Movement (to)/from Reserves	(17,461)	60,753	332	(115,000)	30,000
<b>Pensions Board</b>					
Expenditure	2,955,000	3,117,000	3,111,000	2,948,000	2,940,000
Diocesan Contributions	Vote 5 (3,058,029)	(3,117,000)	(3,111,000)	(3,111,000)	(2,900,000)
Movement (to)/from Reserves	(103,029)	0	0	(163,000)	40,000
<b>Central Apportionment</b>					
	(23,764,736)	(23,809,515)	(24,453,600)	(24,453,600)	(25,172,100)