

GS 1781

Archbishops' Council

2011 Budget

2011 Budget Overview

The recommended Net Expenditure and Apportionment levels for the 2011 budget, together with the changes on the 2010 level are set out below.

		Net Expenditure		Apportionment	
		£	% inc	£	% inc
Training for Ministry	Vote 1	12,065,500	2.2	12,240,500	3.7
National Support	Vote 2	10,140,735	(1.5)	10,140,735	(1.5)
Grants	Vote 3	1,554,700	1.3	1,554,700	1.3
Mission Agencies Pensions	Vote 4	847,250	2.0	800,000	(3.7)
CHARM	Vote 5	3,415,550	5.0	3,415,550	5.0
Total		28,023,735	1.1	28,151,485	1.5

The above table highlights a 1.1% increase in overall net expenditure across the five Votes.

Due to the relatively low levels of Vote 1 reserves an additional £175,000 (in excess of budgeted net expenditure) is required from the dioceses to top-up Training for Ministry funds, enabling more effective cash-flow management.

The relatively high levels of Vote 4 reserves permit a 3.7% reduction (against 2010 budget) in diocesan contributions to fund pension contributions for clergy employed by mission agencies in 2011 - £47,250 below budgeted net expenditure.

The amounts requested from dioceses for each of the other Votes (National Support – Vote 2, Grants – Vote 3 and CHARM – Vote 5) are in line with budgeted net expenditure resulting in an overall apportionment increase of 1.5%.

This booklet sets out the underlying figures and provides details of how the budget is made up and the nature of the work it finances.

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Executive Summary

Introduction

1. With God's Grace and the generosity of Church people, the Church of England continues to finance its nationwide mission and ministry with a Christian presence in every community, despite substantial financial pressures and challenges in recent years.
2. This executive summary of the Archbishops' Council's budget for 2011 is followed by detailed sections on each vote. For Vote 2 there is a brief description of each directorate's activity including its main functions, cost and staffing (which makes up the majority of the total cost). This summarises the work carried out at Church House on behalf of, and in support of, the wider Church.
3. An analysis of income and expenditure of individual departments is available to General Synod members upon request to Simon Florence (Senior Accountant for the Council, simon.florence@c-of-e.org.uk) or David White (Head of Financial Policy and Planning and Senior Finance Manager for the Council, david.white@c-of-e.org.uk).

Summary

4. The Council's 2011 budget is the first to be prepared in the light of its financial strategy for 2011-2015, which General Synod took note of in July 2010 (see GS 1731). The Council committed itself to five years of tight spending control in order to leave as much money as possible available for the direct support of mission and ministry in parishes.
5. The key promise to dioceses was that the amount asked of them through the apportionment would not go up in 2011 and 2012 by more than 0.5% below the rate of inflation and, in the following three years, by not more than inflation. The main levers for achieving this were to introduce greater planning and, if necessary, control in respect of expenditure for Training for Ministry (Vote 1) and to achieve savings by 2015 of £1.2 million in expenditure on National Church responsibilities (Vote 2). It was acknowledged that the latter would inevitably mean the Council having to make hard decision about the nature and extent of work carried out at national level.
6. The proposed budget for expenditure in 2011 across the Council's five Votes is 1.1% above the 2010 level. The recommended increase in diocesan apportionment for 2011 is 1.5%, in line with the illustration given last year in GS 1731. The Council has decided that comparisons against the target should be made using the best available estimates for likely RPI for the year in question. According to an HM Treasury Report, the average of selected independent forecasts for RPI in 2011 is 2.9%, considerably ahead of the 2% used in the strategy. Thus the 2011 apportionment increase may be around 1.5% below RPI, a tighter settlement even than the target set last year.

7. The 2011 apportionment increase is slightly above the budgeted expenditure increase as it is planned to increase reserves by a net amount of £127,750. It is planned to bolster the reserves specifically held for Training for Ministry (Vote 1), which are below the mid-point of their range, by £175,000. In addition, the Council expects to use £47,250 of Vote 4 reserves, which are expected to be above the maximum level at the end of 2010.
8. In respect of future years' apportionment increases, the Archbishops' Council will endeavour to continue to work within the parameters of its Financial Strategy Review (FSR) in 2011-2015. The FSR targets remain challenging and will mean that the Council will have additional hard decisions to make in future years.

Process

9. Each part of the budget has been reviewed line-by-line to ensure that budgeted income and expenditure are at realistic and justifiable levels in order to carry out those tasks that need to be undertaken. The Council is acutely cognisant, particularly in view of the challenges, opportunities and uncertainties presented by the current economic climate, of the need to provide in the national budget only for expenditure that is necessary and for work that is most efficiently and effectively carried out at national level and to ensure that such work is carried out economically.
10. For Vote 2 each team has prepared a business plan which includes setting out its achievements in 2009, providing an update on plans for 2010 and setting out proposals for 2011. These plans and the consequent budgets, which will be used as working documents, have been reviewed in detail by the Council's Senior Management Group. In respect of shared service departments (which account for around 30% of the Council's Vote 2 budget), the business plans have also been reviewed by the Joint Employment and Common Services Board (comprising the Chair of the Council's Finance Committee, the First Church Estates Commissioner and the Chair of the Pensions Board) and the governing bodies of the Church Commissioners and Pensions Board.
11. The budget was considered on two occasions by the Archbishops' Council and endorsed after scrutiny from its Finance Committee. The Inter-Diocesan Finance Forum also had an opportunity to comment on and shape the budget, which was approved by the Council in June in the form set out in this document.

Vote 1 (Training for Ministry)

12. This budget funds costs associated with ordination training, acknowledging that the training of future clergy is a national responsibility. It is the Church's policy to train all those who are recommended by their Bishop after a process of discernment including a selection panel. The financial systems (including the pooling of additional maintenance costs for ordinands paid by dioceses) are designed to ensure that dioceses should not suffer financially if they put forward a larger than average number of ordinands.

13. The Financial Strategy Review proposed some cash limiting of Vote 1 in years where the targets would not otherwise be met, though the main emphasis in the strategy document was on greater planning in Vote 1 with numbers being controlled only to the extent that was necessary to make expenditure levels affordable.
14. With some 40% of stipendiary clergy due to retire over the next 10 years this is time when the Church needs to continue to attract and train as many good quality candidates as possible. It was envisaged that the Vote 1 apportionment would increase by not more than 1% in excess of the overall increase in the apportionment, thus preventing unacceptable consequences on other Votes.
15. Actual net expenditure in 2009 was £844,000 below budget and £324,000 less than the sum requested from dioceses, largely because the numbers starting training in autumn 2008 were smaller than when the 2009 budget had been set. Expenditure was, however, £109,000 above the level forecast for 2009 when Synod approved the 2010 budget at the July 2009 Group of Sessions.
16. This underspend, which was as a result of the number of ordinands in training being less than envisaged when the budget was drawn up in the first half of 2008, enabled £324,000 to be transferred to reserves. This replenishment was, however, less than the draw down of £330,000 in 2008 and Vote 1 reserves remain below the mid-point of their range. Forecast net expenditure in 2010 is now £11,780,000 compared with a budget of £11,804,000, so significant replenishment this year is very unlikely.
17. In preparing the 2011 budget, it was recognised that it might prove necessary to limit the number of those entering training in 2010/11. If this proved necessary, some candidates recommended for training would have to delay the start of their training until 2011/12 or, if all affordable college places had been taken up but there remained places on courses, could only commence training on a course at the start of 2010/11.
18. The budget has been based on 534 full time equivalents (FTE) training in colleges and 716 FTE on courses. This is in line with the number of course places taken up in 2009/10 but shows a reduction of 32 FTE in the number of those undertaking training on courses or OLM schemes. At the time of writing (early June 2010), taking into account discussions with Diocesan Directors of Ordinands regarding the potential number of future candidates, it seems likely that actual numbers in training in 2010/11 will be in line with, or slightly below, these figures. If this is the final outcome, it would mean that those accepted for training by the cut-off date could all begin training in 2010/11, if they wished.
19. Last year, the House of Bishops decided that, from 2011, the deadline by which all recommended candidates must have attended a national selection panel in order to commence training at the start of the next academic year should be moved to the end of May. This will assist budgeting and training institutions' and ordinands' planning and preparation.

20. The 2011 budget has been prepared on the assumption that the number undertaking college-based training will remain at the 2010 level. The steady decline in candidates on OLM schemes (some of which are being integrated into courses) in itself results in a modest Vote 1 cost pressure. The overall cost of these schemes has been lower than the equivalent cost of regional courses, and Vote 1 contributed only between a third and half of the total cost – the rest being picked up directly by the relevant diocese. This extra cost is partially off-set by a reduction in combined course / OLM numbers.
21. Over the duration of training for a typical ordinand, the fees cost for an individual undertaking course-based training over three years is 70% of the total expenditure that would have been incurred had that same ordinand opted to train at a college over a two year period.
22. There is inevitably a good deal of uncertainty at the moment over the future of HEFCE funding, given current pressures on public expenditure, and the Ministry Council is closely engaged with HEFCE on this. Additional funding pressures could arise in 2011 in relation to the more expensive training pathways. If so, the Ministry Division is satisfied that they could be met for one year from a Ministry Division trust fund. But a mechanism for greater control would need to be put in place in time for the 2012 budget round.
23. In total, the Archbishops' Council recommends a Vote 1 budget with net expenditure of £12,065,500 for 2011, 2.2% above 2010 budgeted level.
24. The recommended Vote 1 apportionment for 2011 is £12,240,500 which is 3.7% above the 2010 level. The budget has been prepared on the basis that £175,000 will be added to reserves, given their relatively low level and the current, wider funding uncertainties. This budget is consistent with the discipline of keeping the overall apportionment increase in line with the 1.5% illustration given in the Financial Strategy review.

Vote 2 (National Church Responsibilities)

25. Vote 2 covers the costs of work in support of the Church's ministry and mission to the nation that needs to be undertaken, or is most effectively and/or efficiently carried out, at national level.
26. Over the past eight years Vote 2 apportionment increases have been held substantially below equivalent annual increases in retail prices and average earnings. The extent of the discipline exercised is illustrated by the fact that, between 2002 and 2010, the Vote 2 budget increased by 10.6% (an average of 1.3% p.a.), whilst over an equivalent period (using the January indices) RPI increased by 25.8% (2.9% p.a.) and average earnings by 28.7% (3.2% p.a.).
27. For 2010, the current forecast suggests savings against budget of £261,000 may be achieved. This is largely as a result of the successful implementation of the new business model for Church House Publishing and a revised attribution across the NCIs of the costs of Finance and Resources following restructuring and the full implementation of the SAP Finance System. These factors also have a beneficial impact in the comparison of the 2011 budget with the 2010 budget.

28. It was acknowledged in the Council's financial strategy that various areas of its work would need to be reduced, or to cease completely, if the savings of £1.2 million required in Vote 2 over a five year period were to be achieved. The Council has begun to grapple with this challenge in the preparation and has had to make several difficult decisions. This has included preparing to change the way that national support for hospital chaplaincy and liturgy is delivered. In addition, compared with the 2010 budget, savings have been identified in all Council managed departments following detailed scrutiny of the emerging 2011 budget by the Finance & Resources team and subsequently by the Council's Senior Management Group.
29. The recommended 2011 budget of £10,140,735 is a reduction of 1.5% on the 2010 level. It has been possible to identify savings of just over £300,000 compared with the £250,000 required in the FSR illustration. The challenge for 2012 is likely to prove more demanding when year-on year savings of a similar level will be required. Further difficult choices lie ahead in the remainder of the period covered by the strategy review.

Vote 3 (Grants)

30. Vote 3 covers the Church of England's national and international contributions as part of the worldwide Anglican Communion and as a Church seeking to work wherever possible with other denominations in this country and abroad. In addition, contributions towards the Legal Aid Fund and tribunal costs are met from Vote 3.
31. Increases of 2% and 4% in the grant to the Conference of European Churches and in the Inter-Anglican budget respectively have been included. The budget provides for contributions to all the other Vote 3 beneficiaries, including the Legal Aid Fund, to be maintained at 2009 levels.
32. A budget of £1,554,700 is therefore recommended for Vote 3 in 2011, an increase of 1.3% on 2010.

Vote 4 (Mission Agencies Pension Contributions)

33. Vote 4 covers the pension contributions for clergy serving with the Partnership for World Mission agencies.
34. Budgeted expenditure in 2011 is £847,250, 2.0% above the 2010 budget level. Actual expenditure will depend on the contribution rate that will be determined by the Pensions Board from 1 January 2011 in the light of decisions concerning future benefits that the Synod is considering at the July 2010 Group of Sessions and the number of qualifying clergy, which has continued to fall in recent years.
35. As the reserves held for this Vote are forecast to be above the maximum of the range at the end of 2010, it is planned to use £47,250 from reserves in 2011. Taking this into account, the 2011 Vote 4 apportionment of £800,000 is 3.7% below the 2010 level.

Vote 5 (CHARM)

36. Vote 5 comprises the revenue costs of the Church's retirement housing scheme to ensure that all clergy have access to housing on retirement.
37. Since its inception, around 80% of the capital required to fund the scheme has come from the Church Commissioners through loan finance on a 'value linked' basis. The Pensions Board has also used its charitable funds to purchase some properties.
38. In last year's Financial Strategy Review (FSR) the Commissioners' intention to cease providing capital for new loans and capital improvements to existing properties when the existing financing agreement expired in July 2010 was re-stated. It was acknowledged that the Pensions Board would need to explore alternative sources of capital for the scheme. The Pensions Board is in the advanced stages of negotiation with a commercial provider regarding a loan facility to provide the capital required for new loans over the next three years. This will increase the cost of running the CHARM scheme given current market interest rates and the additional costs involved in sourcing and maintaining the availability of commercial loan finance.
39. Under the new funding arrangements the Pensions Board will retain the full risks and rewards of future capital appreciation on all property acquired. Recognising this, the Pensions Board has agreed that it will endeavour to smooth the subsidy funded by dioceses through Vote 5 by using its charitable funds. Thus part of the overall subsidy for the scheme will in future be funded from the sale of existing properties owned by the Board and realised capital appreciation from sales of properties financed under the new arrangements.
40. It is estimated that by doing this, increases in Vote 5 can be limited to their projected FSR rise of 5% p.a. until 2015. **However, this cannot be guaranteed and the Board will need regularly to review its ability to maintain this arrangement in the light of events and the cost of each new tranche of borrowing.**
41. Taking all these factors into account the 2011 budget and apportionment for Vote 5 are £3,415,550 - 5.0% above the 2010 level, slightly above the forecast in the strategy review. This understates the overall cost to the Church of running the CHARM scheme as it does not include the indirect subsidy provided by the Pensions Board from not charging interest on capital from its charitable funds used to purchase CHARM properties (estimated at £1.5 million p.a.) referred to above nor the additional subsidy the Board will endeavour to provide following the introduction of the new financing arrangements.

The pooling adjustment

42. In addition to the basic maintenance provided from Vote 1, married ordinands and some single ordinands are supported by additional payments from their sponsoring diocese. Such payments made in accordance with Ministry Division guidelines are "pooled" amongst all dioceses and apportioned using the apportionment formula.

43. Previously any adjustments due to or from the diocese were adjusted two years after the payment. Following consultation with dioceses, it was agreed to speed up the pooling adjustments between dioceses by switching from a calendar year to an academic year basis. As 2011 is the transitional year for the new arrangement the pooling adjustments will be calculated for five terms, rather than the usual three terms, of costs.

Apportionment

44. The apportionment of the budget covered in this report is set out in a table on page 54. It is based on the formula agreed by the General Synod in 2001 with minor amendments made following limited reviews in 2005 and 2008 which were reported to General Synod in GS Misc 779 and GS Misc 888.
45. One of those modifications was the imposition of a cap on the amount that any individual diocese's apportionment can increase in a given year. For the 2011 budget, for the third year running, the cap has been set at 2.0% above the average increase, (i.e. the maximum apportionment faced by any diocese, before the adjustments in respect of ordinands maintenance costs, is 3.5%).
46. As in recent years the apportionment for the Diocese in Europe (estimated to be around £59,000 in 2011 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 Mission Development Fund. 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 sums requested from dioceses.

Reserves

47. The Archbishops' Council reviews its reserve policy ranges annually to ensure that reserves are adequate, without being excessive. The current reserves policy minimum and maximum levels can be seen on page 53.
48. Reserves are held for cashflow purposes, to enable expenditure to be met before income is received, to reduce the impact of any later than expected payment of apportionment by dioceses and to give the Council some modest flexibility to smooth year-on-year apportionment increases should there be significant additional expenditure pressures (in recent years this approach has been taken for Votes 1 and 5).
49. The 2010 budget was constructed matching expenditure to diocesan contributions, thus no further drawdown of reserves has been planned. However, following significant use of reserves in 2008, Vote 1 reserves are below their mid-point. It has proved possible to plan to bolster these reserves by £175,000 in 2011 and keep the overall apportionment increase in line with the 1.5% illustration given in the Financial Strategy review.
50. Vote 3 reserves, at £173,000, are below the minimum policy level of £194,000. If Legal Aid expenditure in 2010 or 2011 proved to be below the budgeted level, the opportunity will be taken to bolster general Vote 3 reserves. Vote 4 reserves are forecast to be £43,000 ahead of the maximum

policy level at the end of 2010. This had led to the recommendation that £47,250 of reserves are budgeted to be used in 2011.

Conclusion

51. General Synod is invited to approve the Archbishops' Council's expenditure (net of income from sources apart from diocesan contributions) for the year 2011, as shown in its budget as summarised below:-

		2011 net expenditure	% inc/(dec) vs 2010 budget
Vote 1	Training for ministry	£12,065,500	2.2%
Vote 2	The work of the Council generally	£10,140,735	(1.5%)
Vote 3	Grants	£1,554,700	1.3%
Vote 4	Mission agency clergy pension contributions	£847,250	2.0%
Vote 5	Clergy retirement housing	£3,415,550	5.0%
TOTAL		£28,023,735	1.1%

52. This budget would result in the following apportionments to dioceses:-

	2011 Apportionment	% inc/(dec) vs 2010 budget
Vote 1	£12,240,500	3.7%
Vote 2	£10,140,735	(1.5%)
Vote 3	£1,554,700	1.3%
Vote 4	£800,000	(3.7%)
Vote 5	£3,415,550	5.0%
TOTAL	£28,151,485	1.5%

Budget Summary

	Actual 2009 £	Budget 2010 £	Forecast 2010 £	Budget 2011 £
<u>Vote1 Training for Ministry</u>				
Income	(21,870)	(25,000)	(25,000)	(30,000)
Expenditure	11,731,082	11,828,600	11,805,200	12,095,500
Expenditure (net of Vote1 income)	11,709,212	11,803,600	11,780,200	12,065,500
Less Diocesan Contributions	(12,033,602)	(11,803,600)	(11,803,600)	(12,240,500)
Movement (to)/from Reserves	(324,390)	-	(23,400)	(175,000)
<u>Vote 2 National Church Responsibilities</u>				
AC 'core' divisions				
Central Secretariat	1,721,055	1,828,087	1,827,306	1,815,857
Ministry Division	1,418,311	1,409,388	1,393,938	1,389,660
Education	662,811	691,407	692,276	681,646
Mission & Public Affairs	1,203,671	1,272,161	1,280,238	1,245,368
Cathedral & Church Buildings	814,035	834,650	824,667	828,430
Shared Services costs				
AC managed depts				
Communications	417,189	461,490	422,737	463,301
Human Resources	272,686	284,743	266,212	280,084
Legal	563,269	669,272	658,472	668,421
CC managed depts				
Finance & Resources	935,511	901,203	794,755	798,032
IT & Office Services	560,243	531,561	482,418	502,638
Records	195,155	195,865	193,808	197,996
PB managed dept				
Internal Audit	73,166	73,640	71,984	78,237
Other National Support costs				
Church House Publishing	19,542	76,539	(38,125)	(44,106)
Accommodation	1,216,253	1,210,912	1,185,989	1,253,035
Depreciation	260,478	173,341	187,135	187,135
Contingency	162,131	50,000	100,000	100,000
	10,495,506	10,664,258	10,343,811	10,445,735
General Income	(422,464)	(364,000)	(305,000)	(305,000)
Expenditure (net of general income)	10,073,042	10,300,258	10,038,811	10,140,735
Less Diocesan Contributions	(10,147,950)	(10,300,258)	(10,300,258)	(10,140,735)
Movement (to)/from Reserves	(74,908)	-	(261,447)	-
<u>Vote 3 Grants</u>				
Net Expenditure	1,668,199	1,535,450	1,535,450	1,554,700
Diocesan Contributions	(1,668,199)	(1,535,450)	(1,535,450)	(1,554,700)
Movement (to)/from Reserves	-	-	-	-
<u>Vote 4 Mission Agency / Clergy Pensions</u>				
Net Expenditure	737,009	830,625	830,625	847,250
Diocesan Contributions	(800,001)	(830,625)	(830,625)	(800,000)
Movement (to)/from Reserves	(62,992)	-	-	47,250
<u>Vote 5 CHARM</u>				
Net Expenditure	3,070,801	3,252,900	3,252,900	3,415,550
Diocesan Contributions	(2,949,008)	(3,252,900)	(3,252,900)	(3,415,550)
Movement (to)/from Reserves	121,793	-	-	-
<u>TOTAL Votes 1-5</u>				
Net Expenditure	27,258,263	27,722,833	27,437,986	28,023,735
Diocesan Contributions	(27,598,760)	(27,722,833)	(27,722,833)	(28,151,485)
Movement (to)/from Reserves	(340,496)	-	(284,847)	(127,750)

Training for Ministry budget (Vote 1)

<u>Budget 2011:</u>	£12,240,500	Diocesan Contributions
	£12,065,000	Net Expenditure

The scope of the Vote 1 budget

1. The Vote 1 budget covers the tuition costs, university fees, colleges and personal maintenance, book and travel costs of sponsored ordinands prior to ordination. Additionally ordinands following an approved course of mixed mode training may be funded for up to two years after ordination.
2. The funding for tuition costs is provided to training institutions through a system of standard block grants for the academic year. The amount of the block grants is based on the number of Full Time Equivalent (FTE) ordinands; full time equivalence for this purpose is based on the standard training pathway at the college or regional course.
3. Ordinands undertaking college training receive a means tested maintenance and personal grant from the Vote 1 budget at differential rates depending on being residential or non-residential at the college. The dioceses are directly responsible for the additional cost of the means tested family support for married ordinands and some supplementary maintenance for single ordinands whilst at college. This additional expenditure, based on guidelines issued by the Ministry Division, is pooled and apportioned across the dioceses as explained below.
4. Ordinands training on regional courses are supported with book and travel grants paid from the Vote 1 budget. It is the responsibility of the sponsoring diocese to meet the cost of the book and travel allowances for training with the Ordained Local Ministry (OLM) schemes.

Methodology used in drawing up the training budget

5. In order to prepare the training budget it is necessary to estimate the numbers entering training at the start of the next two academic years and the training pathways to be followed. To ensure greater stability in the total Vote 1 apportionment and training costs, and in line with the Archbishops' Council's Financial Strategy Review¹ endorsed by Synod last year, the maximum number of students on courses and colleges in any one year will be maintained at the current level – i.e. the overall capacity for new entrants will be equal to that of leavers.
6. Recommended candidates may enter training at the start of the next academic year provided they attend a selection panel by the cut off date; which is being moved from its current deadline (end of the first week in August) to the end of May in 2011. Where the total number of ordinands across all colleges has reached the estimate for the year students will have the option to train on a course (if the total intake across all courses has not been reached) or to begin training the following year.

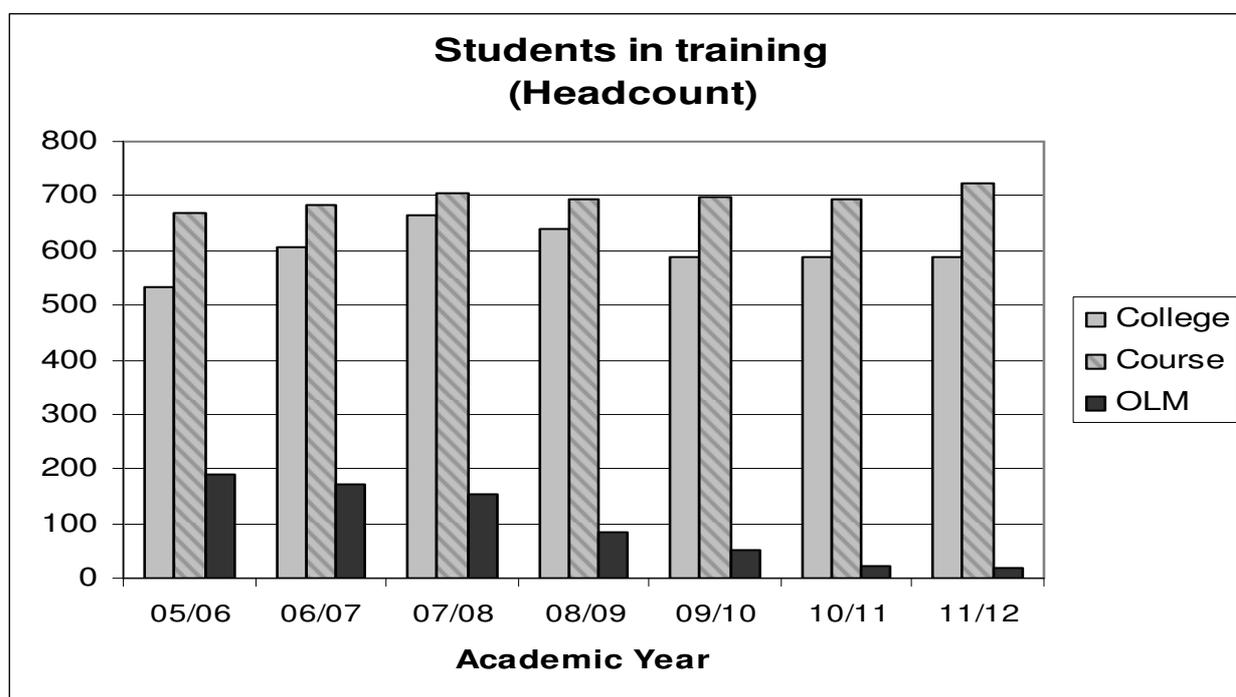
¹ GS1731

7. The majority of ordinands follow standard patterns of training, but an increasing trend is for some ordinands to undertake either shortened or additional (particularly in the case of those undertaking course based training) modules as a part of their training and formation. This factor, together with candidates undertaking research degrees and mixed mode training, accounts for the difference between the actual headcount numbers and FTE numbers. The expected numbers (actual/estimate headcount and FTE) in training for the academic year are given below. College numbers are shown as remaining stable in the forthcoming 2010/11 academic year - with new starters replacing leavers - whilst a reduction in Course and OLM numbers is expected in 2010/11.

Numbers in training by academic year

	2005/6		2006/7		2007/8		2008/9		2009/10		2010/11		2011/12	
	Act	FTE	Est	FTE	Est	FTE								
College	532	497	608	545	665	605	639	580	588	534	588	534	588	534
Course*	668	668	682	682	704	687	694	694	711	720	706	716	735	747
OLM	189	189	170	170	153	153	84	84	50	50	23	23	18	18
Total	1389	1354	1460	1397	1522	1445	1417	1358	1349	1304	1317	1273	1341	1299

* Course numbers include those candidates undertaking diocesan pre-theological training. There are 12 students in this category in 2009/10. As noted above, student headcount numbers and FTE numbers may vary and the FTE figure may be the higher figure where there are significant numbers of mixed-mode candidates training with Courses.



Costs

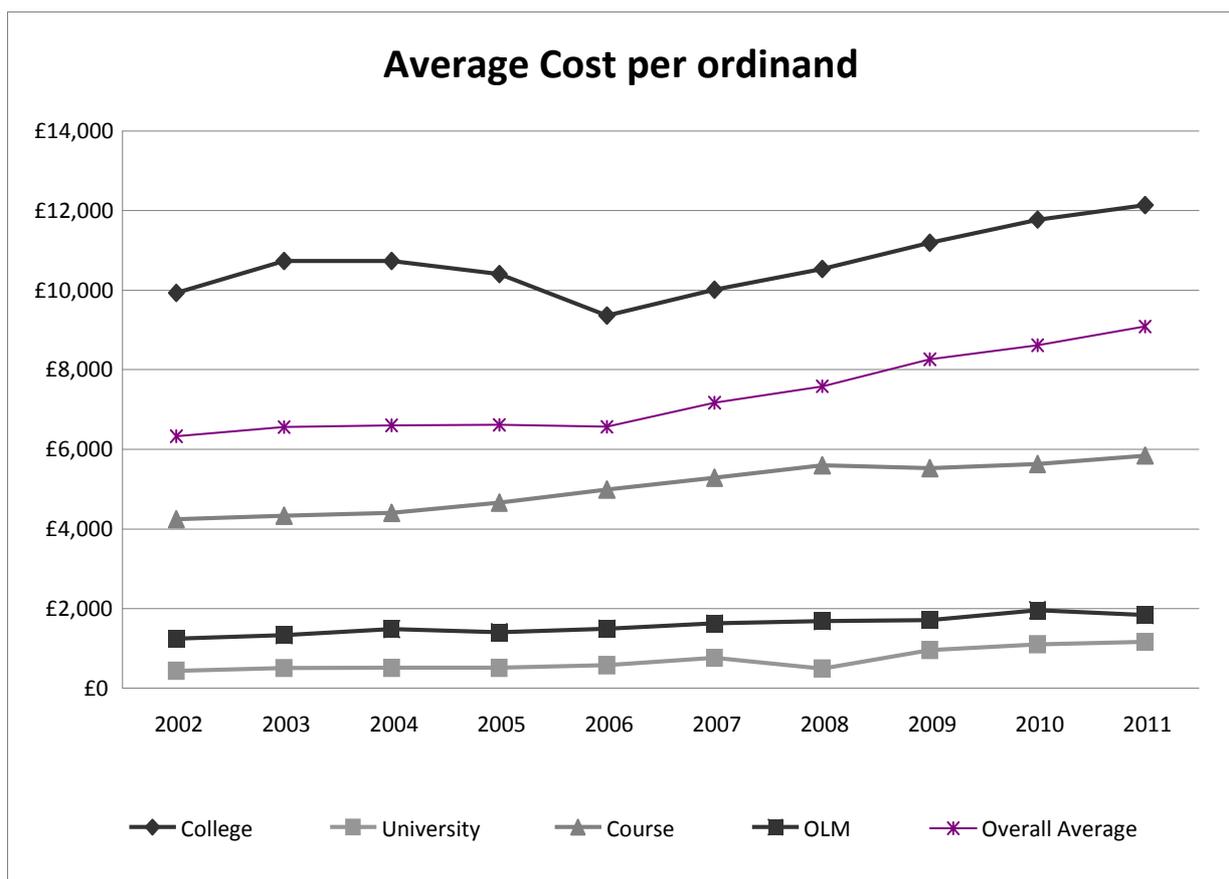
8. The cost of training is based on the average cost for each type of training in the previous academic year adjusted for expected cost increases. The following assumptions have been made in arriving at the 2011 budget.
 - Tuition costs are expected to increase by 2.3% in 2010/2011 and 2.0% in 2011/2012. These projections take account of the expected increases in the National Minimum Stipend that form the basis of Lichfield scale of recommended salaries for academic staff in theological institutions. Training institutions are permitted to pay more than the scale rates but no additional funding is made available from Vote 1.
 - Pension and National Insurance contributions reflect the possible changes to clergy pension scheme in 2011.
 - Maintenance grants and allowances to students are projected to increase by 2.0% in both 2010/2011 and 2011/2012.
 - Course numbers are estimated to increase marginally in 2010/2011 due to further OLM schemes being integrated into courses.
 - Expenditure on OLM schemes is expected to decrease due to the reduction in the number of diocesan schemes.
 - Pre-theological education costs are projected to decrease as a result of reduced expenditure on books, travel and tuition fees.

Other trust funds

9. The Archbishops' Council Ministry Training Trust Fund was created in 2006 from a number of smaller funds and is used to support ordinands in their training along with other initiatives to support and enhance ministerial training.
10. An important element of the support of ordinands is the support from The Church Times "Train a Priest" (TAP) Fund which supports most married ordinands in their training. Those ordinands who experience unexpected and unplanned additional expenditure whilst training are also supported by grants from The Church Times "TAP Special Hardship Fund" which can make awards in exceptional circumstances. The Archbishops' Council remains grateful to the readers of the Church Times for their continuing support.

Average Cost since 2002

11. The average annual costs funded from Vote 1 of the different forms of training since 2002 are shown below. These costs exclude diocesan maintenance contributions for college based ordinands of around £1,950 for a single student, £10,775 for a married student in 2010/2011. The reduction in college costs in 2006 reflects the one-year policy of restricting any increase in core costs of the institutions to those funded in the previous year despite an increase in the overall numbers in training.



12. It is important to note that the above chart shows arithmetic averages only. The cost of individual students can be significantly higher or lower depending on the year(s) of study and the particular University awards being studied.

Block Grant Funding

13. Institutions are funded by means of block grants to meet the tuition costs of ordinands. These grants are based on the expected academic and administrative staff costs, premises and other costs. The cost of academic staff is based on an expected staff/student ratio of 1:10 and 1:20 in colleges and courses respectively.

14. The block grant system aims to provide a level playing field between the different institutions and to provide an element of continuity if there are small changes in numbers. There are transitional provisions to smooth the changes in funding where institutions move between one band and another between academic years. In certain circumstances, institutions may apply for additional funding. Details of block grant and the additional funding approved by the Ministry Division Finance Panel for the academic year 2009/2010 are set out on pages (22 & 23)

University Fees

15. The cost of university fees for ordinands is currently met from the Vote 1 budget, for the most part in addition to the block grant.

16. In August 2007, the Secretary of State for the Department for Innovation, Universities and Skills requested the Higher Education Funding Council for England (HEFCE) to reduce its funding to Higher Education Institutions (HEIs) by £100m and to target funding towards those without previous university qualifications. HEFCE, in response, announced that it would no longer fund students who were studying for an Equal or lower qualification (ELQ) than they currently held. The effect of this could have increased the cost of theological education and training to the Church significantly given that approximately 75% of our ordinands already possess a first degree or higher award. Several HEIs indicated that the university fee for such ordinands might increase from an average of £3,000 to £6,500 or even in some cases to the Non-EU overseas rate.
17. After representation by the House of Bishops to Ministers and Members of Parliament, and as a result of the progress being made towards a solution, the Government granted a two-year postponement to the withdrawal of funds for ELQ learners studying theology in ministry (i.e. the policy becomes effective from September 2010). The Archbishops' Council remains grateful to HEFCE for the way in which it worked so willingly to find an equitable solution.
18. The proposal by HEFCE, for future ordinands to study for a Foundation degree or Employer Co-funded awards (which are exempt from the ELQ ruling) as a way forward is expected to be fully adopted by September 2010.
19. In line with this, a large proportion of training institutions have now converted their diplomas and certificates awards to Foundation degrees and made bids for Employer Co-funded awards. They have also applied for Additional Student Numbers with HEFCE via their validating Higher Education Institution. Some institutions have had to change HEIs, thereby negotiating a favourable transfer rate of HEFCE money.
20. However for the significant number of ordinands for whom Foundation or Employer Co-funded awards will not be sufficiently stretching or whom the Church would wish to study for higher awards in University departments of theology, costs for the 2010/2011 academic year will be met from the Vote 1 budget. From the 2011/2012 academic year, it is expected that training on these pathways will be subject to selection criteria that ensure these ordinands have the ability and potential to offer future strategic leadership or educational abilities to the Church.
21. The possibility of reducing block grants (but balanced by the increased funding from the HEI), to fund additional University fees for 2011, remains an option. This option was not adopted in 2010.

Pooling of additional maintenance grants for ordinands

22. In addition to the basic maintenance provided from Vote 1, married ordinands and some single ordinands are supported by additional payments from their sponsoring diocese. If additional payments are made in accordance with the guidelines issued by the Ministry Division then the cost for the financial year is pooled amongst all dioceses and apportioned in accordance with the apportionment formula that includes an element of mutual support. Previously any adjustments due to or from the diocese were adjusted two years after the payment.

23. The pooling of additional maintenance grants has been changed to an academic year basis from a calendar year basis. 2011 represents the transitional year from the previous arrangement to the new arrangement. This will speed up the process of the pooling adjustment, reducing the time lag between the diocesan expenditure and its being taken into account alongside the apportionment. It will also give dioceses sufficient time to build the adjustments into their budget planning. The total amount of additional maintenance in 2009 was £4,099,900 (2008: £4,176,700). In this transitional year the amount pooled between dioceses relates to five terms' grants (the final two terms of 2008/9 and all three terms of 2009/10) totalling £6,484,300.

Deployment of Ordinands into training posts

24. The numbers deployed into training posts in 2009 and in 2010 together with the expected numbers seeking title posts are set out below. It is expected that the vast majority of candidates trained for stipendiary ministry will find suitable training posts. However, in some circumstances where ordinands are seeking particular types of posts, and/or posts in particular geographical locations, this may not be possible immediately. Some ordinands will then choose to undertake further training. This additional training is normally at the ordinand's own cost or raised through the support of third party trusts. Other ordinands may choose to defer deployment to a later year, or accept a self-supporting title post in the first instance, or obtain a lay ministry post where these are available.

Deployment to Title posts	2009	2010	2011
Stipendiary*	339	334	311
Self Supporting & OLM	220	200	177

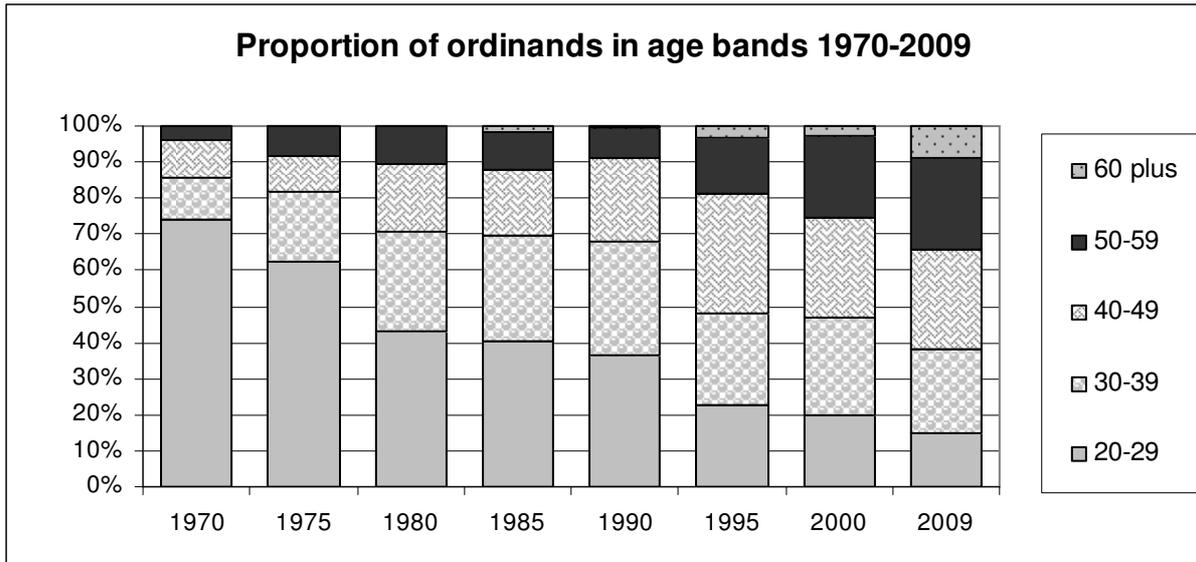
*Reflects the deferral by some candidates from earlier years

Expectation for future numbers of clergy

25. The numbers of **stipendiary** clergy are projected to decline over the next 20 years as the baby boom generation reaches retirement age. Given that it takes around 10 years to call out, train, and develop an incumbent and the increasing importance that will be placed on the voluntary self-supporting ministry, it is important that investment in the training of priests is a strategic priority for the whole Church.
26. Given concern over the volatility of Vote 1 expenditure, work is being done across the Church to assess workforce needs for the next twenty years and consider how these may be met through a combination of paid and self-supporting ministers. These assessments will provide a basis for calculating the ongoing levels of selection and training needed to realise the dioceses' ministry plans. **This is unlikely to show a need for a reduction in investment in training in the long-term.** Responsible stewardship means ensuring that the Church has the capacity to complete the training of those candidates it sends into initial ministerial training in the next few years.
27. As part of the annual clergy projections exercise, the Deployment, Remuneration and Conditions of Service Committee (DRACSC) now asks dioceses to indicate how many title posts they will be able to offer in each of the next three years. This information will provide the starting point for a training budget that is linked to the Church's known needs in future years.

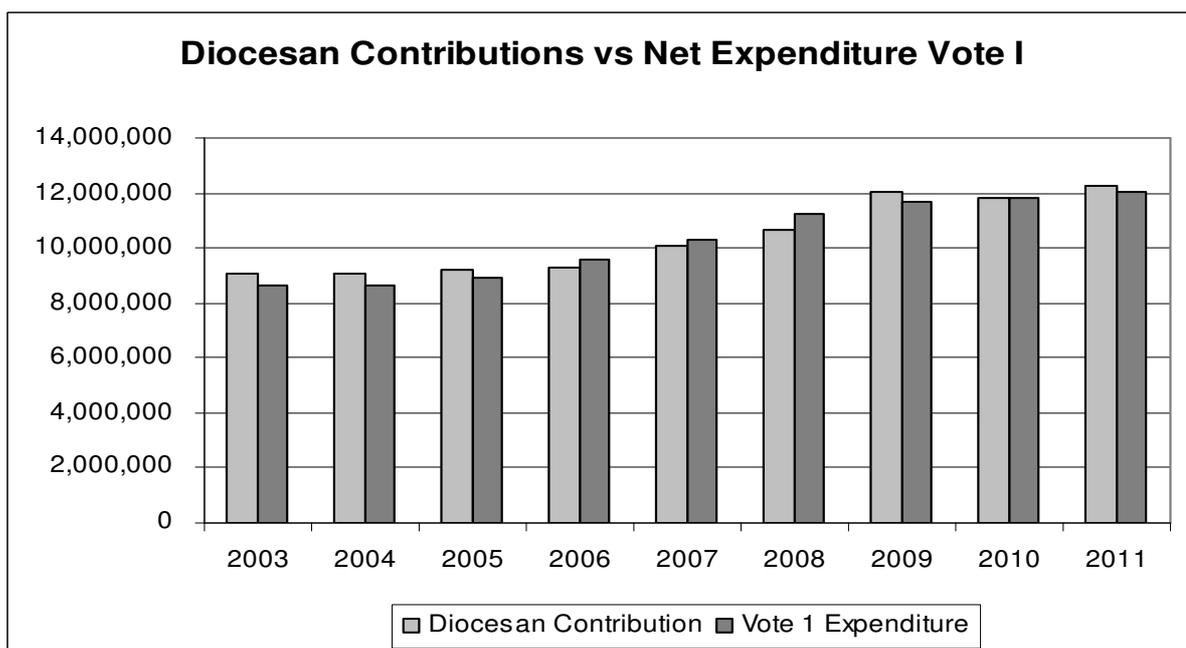
28. Although there is some evidence of recent growth in the number of younger vocations, the average age of the newly ordained has been gradually increasing. This not only reflects the increasing number of self-supporting ministers and retirement ministries but also means that those entering the stipendiary ministry may have shorter service time available.

29. The chart below represents the growing trend of older ordinands seen across the last 40 years. A more detailed breakdown of age profiles by type of ministry is shown on page 24.



Reserves

30. A comparison between the amounts requested from the dioceses and actual (or expected) expenditure is set out in the chart below.



31. In years in which net expenditure exceeded diocesan contributions (e.g. 2006-8) the shortfall has been met via a draw-down from the reserves the Archbishops' Council holds specifically for Vote 1 purposes.
32. In 2009 it was budgeted that £520,000 would be drawn down from reserves. As reported to General Synod last year, the actual number of ordinands proved to be lower than that assumed when the budget was drawn up in 2008. The final addition to Vote 1 reserves in 2009 was £324,390.
33. The 2010 budget was prepared on the basis that expenditure will be fully funded from the diocesan contributions. It is currently forecast that £23,400 will be added to reserves in 2010.
34. The 2011 budget has been prepared on the basis of asking dioceses to fund an additional £175,000 on top of budgeted net expenditure. This additional sum will be used to replenish Vote 1 reserves, enable more effective cash-flow management, and provide greater flexibility to cope with uncertainties surrounding Vote 1 (e.g. future HEFCE funding).
35. A summary of Vote 1 reserves position is outlined below:

	£
Balance as at 1 st January 2010	£2,173,000
Forecast under spend during 2010	£23,400
Forecast balance as at 31 st December 2010	£2,196,400
Transfer to reserves during 2011	£175,000
Expected balance as at 31st December 2011	£2,371,400

Vote 1 Budget

Approved Budget 2010		Academic Year 2009/10	Forecast Outturn 2010	Academic Year 2010/11	Proposed Budget 2011	Academic Year 2011/12
£		£	£	£	£	£
	TUITION COSTS					
4,021,400	Colleges	3,995,563	4,022,200	4,075,488	4,102,700	4,157,200
3,627,200	Courses	3,550,345	3,580,600	3,641,088	3,719,800	3,877,100
111,900	Schemes	83,250	83,300	40,480	40,500	33,800
9,500	Pre Theological Education	4,850	4,900	4,947	5,000	5,046
7,770,000		7,634,008	7,691,000	7,762,003	7,868,000	8,073,146
	UNIVERSITY FEES					
458,400	Colleges	559,098	551,300	573,516	580,700	587,900
198,000	Courses	100,678	101,400	102,080	105,400	108,800
656,400		659,776	652,700	675,596	686,100	696,700
	ORDINAND ALLOWANCES AND MAINTENANCE					
2,982,300	Colleges	3,035,256	3,055,500	3,096,132	3,116,800	3,158,100
553,400	Courses	528,205	530,500	535,040	546,600	569,600
37,800	Disability and Dyslexia Grants	28,000	31,300	37,860	37,900	37,900
3,573,500		3,591,461	3,617,300	3,669,032	3,701,300	3,765,600
(171,300)	LEA and self funded adjustments	(154,692)	(155,800)	(158,107)	(159,900)	(165,000)
£11,828,600	Total Vote 1 Expenditure	£11,730,553	£11,805,200	£11,948,524	£12,095,500	£12,370,446
(25,000)	Investment Income	(20,000)	(25,000)	(28,333)	(30,000)	(30,000)
£11,803,600	NET VOTE 1 EXPENDITURE	£11,710,553	£11,780,200	£11,920,191	£12,065,500	£12,340,446
£11,803,600	Diocesan Contribution	£11,880,267	£11,803,600	£12,094,867	£12,240,500	£12,340,446
-	Transfer From/(To) Reserves	(147,841)	(23,400)	(174,676)	(175,000)	-

Details of Block Grants and maintenance fees paid to Colleges for the academic year 2009/10

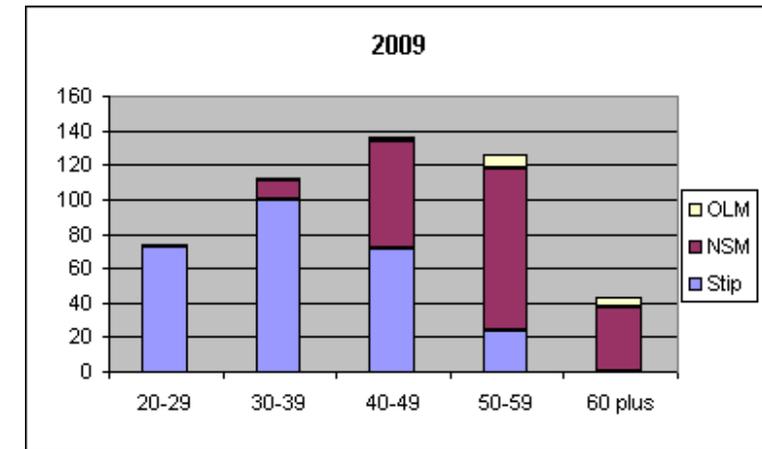
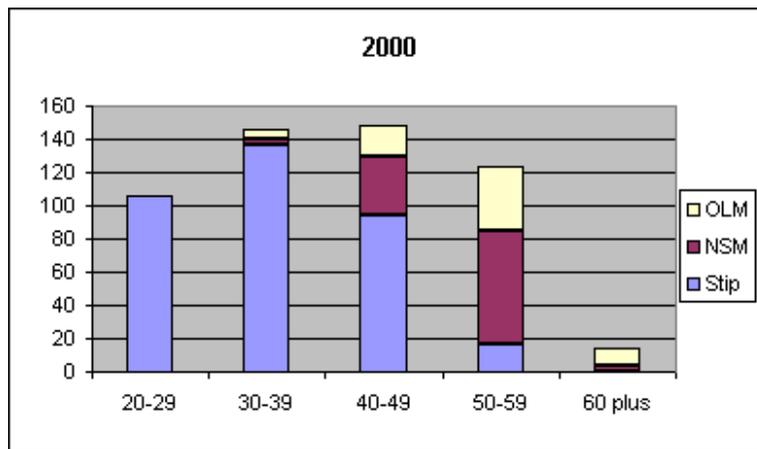
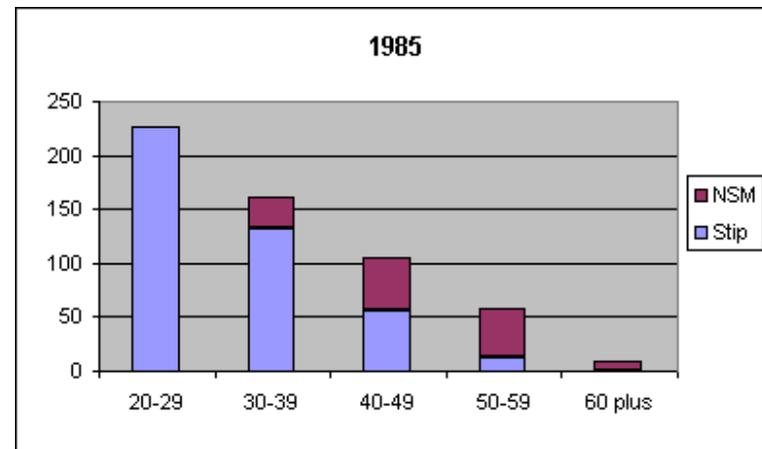
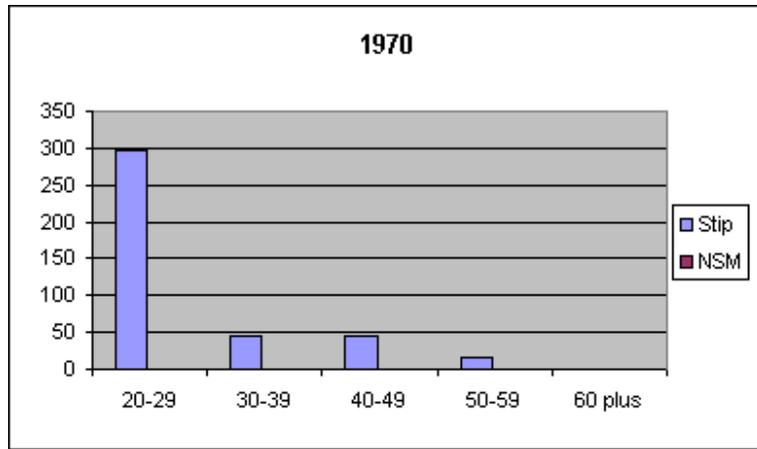
College	FTE Ordinands £	Standard Block Grant £	Transitional Funding £	Total Block Funding £	Ordinand Maint'nce £	Total Costs £	Average Cost £
Cranmer Hall Durham	37.6	276,061	18,443	294,504	134,185	428,689	11,401
Mirfield	26.3	201,772	(18,538)	183,234	101,690	284,924	10,834
Oak Hill	30.5	201,772	74,054	275,826	89,835	365,661	11,989
Queen's College Birmingham	18	127,223	-	127,223	67,574	194,797	10,822
Ridley Hall Cambridge	68	491,157	17,064	508,221	230,800	739,021	10,868
Ridley Hall mixed-mode scheme	8	54,936	-	54,936	8,592	63,528	7,941
Ripon College Cuddesdon	61.3	459,466	-	459,466	216,954	676,420	11,035
St John's College Nottingham	59	422,540	34,309	456,849	214,389	671,238	11,377
St Stephen's House Oxford	19.5	127,223	18,737	145,960	81,665	227,625	11,673
Trinity College Bristol	79.8	560,568	-	560,568	246,228	806,796	10,110
Westcott House Cambridge	68.8	491,157	-	491,157	269,333	760,490	11,054
Wycliffe Hall Oxford	55	386,677	36,395	423,072	172,848	595,920	10,835
St Michael's Llandaff (fees)	2	14,548		14,548	6,652	21,200	10,600
TOTAL	533.8	3,815,100	180,463	3,995,563	1,840,745	5,836,308	10,934

Details of the Block Grants paid to regional Courses for the academic year 2009/10

Course	FTE Ordinands	Standard Block Grant £	Transitional Funding £	Additional Funding £	Total Block Funding £	Average Cost £
Bristol OLM pathway (based at Trinity College)	10.8	36,769	-		36,769	3,405
East Midlands Training Course	23	106,543	-		106,543	4,632
New East Midlands Training Course	5	25,280	-		25,280	5,056
Eastern Region Ministry Course	58	289,510	-		289,510	4,992
Lancs and Cumbria Training Partnership	29	141,658	-		141,658	4,885
Lindisfarne RTP	7	36,769	-		36,769	5,253
St Mellitus College incorporating North Thames MTC	86.2	420,771	(23,944)		396,827	4,604
Oxford Ministry Course	63.4	325,605	(18,047)		307,558	4,851
South North West Training Partnership	73	372,882	-		372,882	5,108
South Central Regional Training Partnership	7.2	36,769	-		36,769	5,107
Southern Theological Education and Training Scheme	107	515,937	-		515,937	4,822
South East Institute for Theoloigcal Education	84	420,771	-		420,771	5,009
South West Ministerial Training Scheme	36	190,525	-	19,053	209,578	5,822
West Midlands Ministerial Training Scheme	34	155,410	24,434		179,844	5,290
West of England Ministerial Training Course	27	141,658	24,434		166,092	6,152
Yorkshire Ministry Course	57	289,510	18,048		307,558	5,396
TOTAL	707.6	3,506,367	24,925	19,053	3,550,345	5,017

Age Profile by Expected Type of Ministry

AGE	1970			1985			2000				2009			
	Stip	NSM	Total	Stip	NSM	Total	Stip	NSM	OLM	Total	Stip	NSM	OLM	Total
20-29	298	0	298	226	1	227	106	0	0	106	73	1	0	74
30-39	46	0	46	133	29	162	136	4	6	146	100	11	1	112
40-49	44	0	44	56	49	105	94	35	19	148	72	62	2	136
50-59	15	0	15	12	46	58	17	68	38	123	24	94	8	126
60 plus	0	0	0	0	9	9	0	4	10	14	0	37	6	43
Total	403	0	403	427	134	561	353	111	73	537	269	205	17	491



POOLING TOTALS 1.1.2009 to 31.8.2010

	DIOCESE	Married	Unmarried	Total
1	Bath and Wells	124,137	32,761	156,898
2	Birmingham	106,924	16,150	123,074
3	Blackburn	140,801	4,730	145,531
4	Bradford	65,546	20,134	85,680
5	Bristol	67,045	3,903	70,948
6	Canterbury	84,658	5,260	89,918
7	Carlisle	38,058	314	38,372
8	Chelmsford	134,422	3,707	138,129
9	Chester	177,975	10,155	188,130
10	Chichester	380,802	56,967	437,769
11	Coventry	86,000	2,147	88,147
12	Derby	34,568	5,854	40,422
13	Durham	94,071	11,935	106,006
14	Ely	313,027	14,258	327,285
15	Exeter	116,100	9,832	125,932
16	Gloucester	212,125	6,435	218,560
17	Guildford	102,577	6,487	109,064
18	Hereford	18,464	942	19,406
19	Leicester	101,201	22,069	123,270
20	Lichfield	159,147	3,945	163,092
21	Lincoln	67,223	9,056	76,279
22	Liverpool	120,670	8,903	129,573
23	London	894,491	42,381	936,872
24	Manchester	77,803	15,001	92,804
25	Newcastle	60,829	0	60,829
26	Norwich	106,539	12,462	119,001
27	Oxford	429,961	28,479	458,440
28	Peterborough	48,112	22,622	70,734
29	Portsmouth	33,591	350	33,941
30	Ripon & Leeds	49,333	9,720	59,053
31	Rochester	218,755	24,978	243,733
32	St Albans	54,965	7,840	62,805
33	St Edms and Ipswich	49,044	0	49,044
34	Salisbury	129,587	8,114	137,701
35	Sheffield	65,168	4,609	69,777
36	Sodor & Man	0	0	0
37	Southwark	489,227	50,249	539,476
38	Southwell & Nottingham	157,189	5,260	162,449
39	Truro	15,106	7,195	22,301
40	Wakefield	44,105	7,705	51,810
41	Winchester	138,035	5,826	143,861
42	Worcester	29,558	5,380	34,938
43	York	80,437	15,230	95,667
44	Europe	1,484	1,951	3,435
45	Armed Forces	34,145	0	34,145
	TOTAL	5,953,005	531,296	6,484,301

In this transitional year the pooling totals are actual grants paid in 2009 and diocesan estimates of grants for the first eight months of 2010.

National Church Responsibilities (Vote 2)

Central Secretariat

(including Council for Christian Unity and Research and Statistics)

<u>Director:</u>	David Williams (Clerk to the Synod)	
<u>Number of Staff:</u>	21 Full-time	3 Part-time/part-funded
<u>Budget 2011 (net):</u>	£1,815,857	

The budget for the Central Secretariat includes the costs of the Secretary-General and his staff and office costs.

Functions

- General Synod and Business Committee support
- House of Bishops' support
- House of Clergy support
- House of Laity support
- Archbishops' Council support
- Liturgical support
- Dioceses Commission support
- Appointments Committee support
- Safeguarding issues (child and vulnerable adult protection) national support
- Advice on Church Unity issues and fostering of ecumenical work nationally
- Central statistics and research resource

Staffing

Central Secretariat

- Head of the Central Secretariat/ Clerk to the Synod + full-time secretary
- House of Bishops support – 2 full-time posts; 1 half-share post (with CCU)
- Liturgical support – one half-time senior post; 1 full-time support post (part allocated to other duties);
- Dioceses Commission support – 1 full-time post
- Administrative Secretary + quarter-share support (with Secretary-General/Synod Support Unit)
- Synod Support Unit – 1 full-time post + quarter-share support (with Secretary-General/Administrative Secretary)
- Safeguarding Officer (provision for half of one senior post and quarter of one support post– joint arrangement with the Methodist Church)

CCU

- General Secretary
- 1 full-time and 2 half-share (respectively with House of Bishops and Lambeth Palace) senior administrative posts
- 3 full-time posts

Research and Statistics

- Head of Research and Statistics
- 4 full-time posts; one part-time post

The Secretariat budget also includes the costs of:

- Secretary General + 1 full-time assistant & half-share support

The Central Secretariat provides administrative support for the General Synod and its Houses. This is an exacting function with a substantial need for forward planning for sessions at both an administrative and policy level. The Secretariat also services the Archbishops' Council, the House of Bishops, the Liturgical and Dioceses Commissions, the Appointments Committee and several other *ad hoc* and permanent bodies. It has a co-ordinating role in relation to the work of the Archbishops' Council as a whole and the costs of the Secretary-General and his office are included in the Central Secretariat budget.

The Safeguarding Officer is not counted in the staff establishment figures as the Archbishops' Council buys in this service from the Methodist Church under a joint agreement.

The Council for Christian Unity advises the General Synod and the Archbishops' Council on unity issues and fosters ecumenical work in the Church nationally.

The Research and Statistics Department provides a central statistics and research resource to the Archbishops' Council and the wider Church.

2011 Budget

- There has been a half-time reduction in one post in the area of Liturgical support and a reduction of half of one post (shared with the Methodist Church) in the area of Safeguarding, against the budget for 2010.
- Provision of £10,000 has been made to meet the costs of the new Faith and Order Commission by transferring resources from the Council for Christian Unity, which previously resourced the Faith and Order Group, and the House of Bishops, which resourced the House of Bishops' Theological Group.
- In due course, provision will need to be made in the budget to meet the costs of the inauguration of the new General Synod in 2015.

Ministry

<u>Chair:</u>	The Rt Revd Graham James The Bishop of Norwich
<u>Director:</u>	The Ven. Christopher Lowson
<u>Number of Staff:</u>	23 (21.61 FTE) and 4 (1.4 FTE) Honorary staff
<u>Budget 2011:</u>	£1,389,660

Functions

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

Staffing

- Director
- Deployment, Remuneration and Conditions of Service Secretary
 - Assistant Secretary to DRACS (Seconded to Human Resources)
 - National Adviser for Continuing Ministerial Development
 - Deployment Officer
 - Executive Officer DRACS
- Senior Selection Secretary
 - 2 full time Panel Secretaries
 - 1 full time Secretary + National Vocations Work
 - 1 (0.5) FTE Panel Secretary
 - 1 (0.86) FTE Panel Secretary + Training Pathways Work
 - 2 Panel support and clerical staff
- Theological Education and Training Secretary.
 - Executive Assistant to the Theological Education and Senior Selection Secretary
 - Registration Officer
- Finance & Administrative Secretary
 - Finance and Statistics Officer
 - Training Institutions and ordinands Grants Officer
 - Assistant Administrator and Panels Supervisor
- Officer for Ministry of and Among Deaf and Disabled People
 - Executive Assistant of Ministry of and Among Deaf and Disabled People (0.25FTE)

Honorary Staff

- 0.2 FTE Honorary Secretary Central Readers Council
- 0.2 FTE Associated Honorary Secretary Central Readers Council
- 0.5 FTE Honorary National Moderator for Reader Training
- 0.5 FTE Honorary National Consultant for Reader Selection

There are some 28,763 active and retired clergy, Readers, evangelists, and other licensed ministers in the Church of England today. In addition, there are 1,349 in training for the ordained ministry and 1,200 in Reader training. The Ministry Division is responsible for their recruitment and selection, for setting the national standards and has both advisory and executive functions.

The Division monitors and validates initial theological training and co-ordinates guidelines on Continuing Ministerial Development 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 48 conferences a year involving over 350 selectors. It also administers the budget of £12 million for ordination training costs.

The Division's remit extends to Church-wide ministerial strategy including terms and conditions, remuneration, housing, pensions and other aspects of deployment policy. New patterns of ministry, sector and chaplaincy ministry, continuing ministerial development (CMD) 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 among deaf and disabled people that includes the brief for wider disability within Church House.

2011 Budget

Selection Conferences

The Division will run 48 Bishops' Advisory Panels (BAPs) in 2010. With 16 candidates per Panel, this provides the capacity for handling 768 candidates. From 2011 the cut off date for attending a Bishops' Advisory Panel will be changed to 31st May – enabling greater accuracy in formulation of the Vote 1 budget. In addition to the 48 panels, the Division will also facilitate 2 selection conferences for the Ordained Pioneer Ministry candidates to screen them prior to BAP attendance.

Medical Examinations

The Division ended its agreement with an honorary medical adviser last year, after which Health Management was contracted to carry out medical assessments for candidates. This new arrangement was designed to meet the increasing need to ensure fitness for ministry and to assess pensionable risk. The cost of using this specialist organisation represented a significant increase in expenditure, however. The 2010 budget included provision of £75,000 in respect of medical examinations but this appears insufficient to fund the cost of the Health Management service given actual expenditure was £96,000 in 2009 (met from restricted funds and a contribution from the Pensions Board towards their vested interest in pensionable risk). From 2011 the Pensions Board will no longer benefit from this service and as such the Division will be required to bear the cost from its vote 2 budget. A review of the contract is underway with the aim of ensuring better value for money for the Archbishops' Council.

Education Division (with the National Society)

<u>Chair</u>	:	The Bishop of Lincoln
<u>Head</u>	:	The Revd Janina Ainsworth
<u>Number of Staff</u>	:	15 Full-time 3 Part time <i>Note: 6 staff are part-funded by the National Society. 2 p/t consultants are part-funded by the National Society and grants 1 adviser is half funded by the Methodist Church (additional NS and other staff support the work of the Division)</i>
<u>Budget 2011 (net)</u>	:	£681,646

Functions: The Education Division consists of the Chief Education Officer and three teams:-

- Life-Long Learning Team: leading policy and resourcing chaplaincy in Further and Higher Education; church universities & colleges
- Schools Strategy Team: policy development and implementation on all aspects of church schools; Religious Education and collective worship in all schools;
- 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), Higher Education Adviser, one part time executive assistant (also part-funded externally) and one executive assistant (shared with Training and Development team)
- Schools Strategy team comprising Head of School Development, Head of School Improvement, two part time RE Development Consultants, School Support Officer and one executive assistant
- Training and Development team comprising Youth Adviser, Children's Adviser, Lay Discipleship and Shared Ministry Adviser, one ft executive assistant, one executive assistant (shared with Lifelong Learning team).

The Division leads on the Church's education strategy to support activity and organisations at national, diocesan, and local level through

- Growing the Church's mission
- Engaging with national institutions
- Professional support and nurture
- Research, development and evaluation

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 policy and developments, training, and local and national events. The Division's staff work closely and interactively with diocesan staff.

All aspects of the Division's work now fall within the *Strategic Overview* which identified the major purposes.

Divisional staff have developed *Going for Growth*, the framework for the Church's work with children and young people across the full range of contexts. Support for the Church of England Youth Council focused on encouraging more dioceses to take part through representatives at the meetings.

Implementation of the HE strategy commenced with a rolling review of the commitments in the light of a rapidly changing context.

Pilot materials on spiritual and moral development for FE students were developed by the externally-funded *All Faiths and None* project. Further support materials for developing chaplaincies was published.

The School Strategy team developed major areas of work including leadership in church schools. The team has worked closely with the DCSF to develop an agreement on sponsorship of new C of E academies and to plan a national support structure.

The National Society continues to work in close partnership with the Education Division, supports the work of diocesan education teams and trains inspectors for the Statutory Inspection of Anglican Schools (SIAS).

2011 Budget

- Staffing in the Division is expected to remain stable in 2011. The joint appointments with the National Society of two RE Development Consultants to enhance the work of the team will continue. Support for the Consultants who work mainly away from Church House is provided by existing National Society staff. The Head of School Improvement will retire at the end of 2010 and will be replaced. No new appointments or retirements are expected in 2011.
- The challenge for the Division is to balance the demands of developing strategy and policy with effective relations with the diocesan and other networks. The two feed each other but both entail time in discussion and engagement out of the office. The executive assistants provide effective partnership in the work and enable officers to spend time in consultations and network engagements.

The Methodist Church pays half the costs of the Churches' FE Adviser post and 50% of associated support staff costs. The RE consultants are mainly funded by grants from two charities and by the National Society.

Mission and Public Affairs

<u>Chair</u>	:	Dr Philip Giddings
<u>Director</u>	:	Rev Dr Malcolm Brown
<u>Number of Staff posts</u>	:	17 Full-time 2 Half-time 2 part-time
<u>Budget 2011 (net)</u>	:	£1,245,368

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

Their responsibilities are summed up as:

- ❖ **Representing the national church to national institutions**
- ❖ **Adding value to the work of dioceses and parishes through carefully targeted mission initiatives**
- ❖ **Supporting areas of church life and membership which are in danger of marginalisation**

These core functions are addressed through:

- advising the Archbishops' Council, the General Synod and the House of Bishops on matters within the Council's remit;
- working with dioceses, diocesan networks and the church's voluntary societies, in England and internationally, on topics within the Council's remit;
- relating to and co-operating with relevant bodies within the churches of Britain and Ireland and ecumenical instruments of CTBI and CTE and their forums and Commissions;
- working with others in the NCIs, the dioceses and across the Anglican Communion to develop the Church of England's strategy for World Mission.
- relating to Government departments and voluntary bodies relevant to the Council's work.
- developing the Church's profile within Parliament – both the Lords and the Commons – and resourcing the Lords Spiritual in their Parliamentary roles.
- helping to grow the church through innovative national initiatives in mission and evangelism.

Staffing

The staff of the division are located on three sites - Church House, Lambeth Palace (Inter-Religious Adviser and PA) and the Arthur Rank Centre in Stoneleigh (National Rural Officer and PA):

- The **Director** supported by the Divisional Support Coordinator and the Budget Officer.
- **Staff focusing mainly on Community and Public Affairs** comprising the Advisers for Minority Ethnic Anglican Concerns; Marriage and Family Policy; Community and Urban Affairs; Medical Ethics and Health/Social Policy; International Relations; Home Affairs, and the National Rural Officer.
- **Staff focusing on Mission** comprising Advisers for Mission and Evangelism (and Associate Adviser); World Mission (part-funded by mission agencies); Mission Theology, New Religious Movements and Alternative Spiritualities; Inter Religious Relations (joint with Lambeth Palace) and some for the work of the National Rural Officer.
- **Hospital Chaplaincy** where the Webmistress and Training Coordinator works in partnership with the Medical Ethics and Health/Social Policy Adviser. (Overall support for Public Sector chaplaincy is currently being reviewed.)
- **The Parliamentary Unit for the NCIs**, comprising the Parliamentary Secretary (part-funded by the Church Commissioners) and the Deputy Parliamentary Secretary (wholly funded by the Church Commissioners).
- **Administrative and support staff** working particularly to support Minority Ethnic Anglican Concerns, Inter-religious work, and the National Rural Officer.

Increasingly, staff work across these categories and the Division functions as one team focused on the church's mission needs. The Parliamentary Unit is located and line-managed within MPA but serves all the NCIs.

2011 Budget

- The 2011 budget provides for funding of the full division.
- The 2011 budget is organized on a Cost Centre basis. These being: Shaping Society; Mission (UK); Mission (International); CMEAC, the Parliamentary Unit and HCC. Within each cost centre, internal orders are used to tie income and expenditure very closely to work done.
- The staff budget for 2011 includes the costs of the Parliamentary Unit which serves all the NCIs and is funded jointly by MPA and the Church Commissioners.
- The staff budget also includes backfill funding from legacies which supports the Associate Mission and Evangelism Adviser (p/t), allowing the National Mission and Evangelism Adviser to spend a major part of his time on the externally-funded Weddings Project.
- As the current levels of support for Hospital Chaplains is in process of review, some funds have been retained in the HCC budget to cover transitional and developmental costs for this work (£12,000).
- For 2010-11, MPA's work on Environmental Issues has been reconfigured as a project with clear, time-limited, objectives and funded externally from legacy income.
- Non-staff costs include the expenses of maintaining the MPA Council, CMEAC, the Hospital Chaplaincy Council and other committees and advisory groups. These costs have been reduced in anticipation of significant reductions in the numbers of members involved in Boards, Councils etc as a result of the Archbishops' Council Review of Structures.
- The 2011 budget for MPA projects includes support for new and ongoing work in response to General Synod motions.

Cathedral and Church Buildings Division

<u>Chair:</u>	The Bishop of London
<u>Director:</u>	Janet Gough
<u>Number of Staff:</u>	15 full time (2 funded by the Church Commissioners, 1 funded externally)
<u>Budget 2011:</u>	£828,430

The Cathedral and Church Buildings Division (CCB) supports the preservation and development of the Church of England's cathedrals and church buildings for worship, mission and community engagement. Its objectives are to:

- Keep church buildings in the vision of the Church and Government through advocacy and campaigning.
- Support the statutory bodies, the Church Buildings Council and the Cathedrals Fabric Commission for England, advising on proposed alterations to churches and cathedrals.
- Advise dioceses and the Church Commissioners on plans for churches being considered for closure and on closed churches.
- Support the work of parishes, DACs, Chapters and FACs in maintaining and developing their church buildings.
- Share best practice via educational programmes and the Churchcare website.
- Share responsibility for promoting *Shrinking the Footprint*, the Church's environmental campaign.
- Fundraise and via specialist committees award grants and provide expert advice on the conservation of church and cathedral fabric, historic furnishings and artworks. (£487,756 paid in grants to churches in 2009).

Realising the missionary potential of church buildings

February 2010 Synod As part of keeping cathedrals and church buildings in the vision of the Church and Government, a Ripon and Leeds and Lichfield Diocesan motion on the funding of church buildings was preceded by a presentation on the missionary potential of church buildings and the work of the Division by the Bishop of London and Anne Sloman, who in October 2009, became Chair of the Church Buildings Council.

Two published and fully illustrated annual reviews, generously supported by sponsors, on the work of the Cathedrals Fabric Commission and the Conservation Committees, provided further opportunities to air funding issues alongside showcasing the range of work being undertaken.

Funding. The Listed Places of Worship Scheme which produced £12 million of refunded VAT nationwide last year, is due to be reviewed with effect from March 2011, the same time as Gift Aid transitional relief. Other sources of Government funding for historic buildings are not secure, regardless of Administration. In 2009 English Heritage paid out the last grants under its 19-year old ring-fenced Cathedrals Grant Scheme.

As set out in the Church's joint paper with Government, *Churches and Faith Buildings, Realising the Potential* (March 2009), there are some opportunities for churches to tap into existing government funding streams for the provision of community facilities, but concern remains about public and private sources of funding for capital building grants.

In May 2010 the Cathedral Fabric Commission for England announced a joint programme with the Wolfson Foundation for fabric projects at English cathedrals with the intention of using the programme to raise further funds from other non-governmental sources.

Other **campaigning** has resulted in a concession from the Environment Minister to enable water companies to levy concessionary rates on churches. The division has also lobbied to ensure Church interests are recognised in the Government's Planning Policy Statement 5: for the historic environment. In addition to putting the historic environment at the heart of future planning it is particularly gratifying to see the PPS emphasising the importance of significance when considering historic assets, an approach that has long been adopted by faculty and cathedral systems.

A new Ecclesiastical Exemption Order was laid before Parliament in April 2010. It prompted two of the amenity societies to raise questions about the Church of England's exemption from listed building consent.

In part to address these concerns the CBC is putting in place a **more robust and consistent system of reviewing casework** at national level. The CBC has produced a paper, *The Church Buildings Council and DACs: forging a new partnership*, which sets out clear processes and guidelines with the aim that the CBC should advise on all nationally significant casework, and DACs on all other casework. This will be launched at the DAC conference in September 2010 after a period of consultation.

Simultaneously the division is working to improve the **support and advice** available to parishes, DACs and Chapters. *Churchcare*, the online support for church buildings and *Shrinking the Footprint* websites are being made more customer focused e.g. incorporating FAQs and including case studies which illustrate the range of extended uses now taking place in our churches. Work goes on with other organisations to provide advice for churches e.g. producing guidelines on hosting community shops and farmers' markets with the Plunkett Foundation.

Shrinking the Footprint had a major re-launch at Lambeth Palace in June 2009 at a seminar chaired by the Bishop of London and attended by most dioceses. A conference for cathedrals took place in November 2009 and other practical conferences addressing carbon reduction in different building sectors are following.

The Division is putting considerable resource into buildings education, working in partnership with other divisions and dioceses. This has included two training days for new DAC members (in London and Penrith), Crossing the Threshold events aimed at training the trainers in extended use of church buildings and several specialist seminars, for instance on George Pace and 20th century interventions in cathedrals in Llandaff. In November 2010 the annual Conservation Forum will be held at Lambeth Palace on bats, presenting the results of a series of practical trials on how their impact can be mitigated.

Communications Office

<u>Director</u>	:	Peter Crumpler
<u>Number of Staff</u>	:	10 Full-time (AC share: 7.0FTE)
<u>Budget 2011</u>	:	£676,428
<u>NCIs costs</u>	:	AC share - £463,301 : CC share - £171,807 : PB share - £41,321

Functions

- Media relations (press, broadcast and web-based)
- Co-ordination of external communications work for the National Church Institutions (NCIs)
- Internal communications within the NCIs, and wider Church
- Communications training and development
- Support and co-ordination of diocesan communicators' network
- Development of web-based communications for the NCIs
- Monitors and contributes to the development of Media Policy
- Handles public enquiries

Staffing

- Director of Communications
- 3 media officers and 1 assistant media officer (all also responding to public enquiries). Also covers media policy.
- 2 staff involved in communications projects and training support (including one on 0.7 secondment to Weddings Project).
- 1 internal communications/public affairs and diocesan liaison
- 1 e-communications officer
- 1 administrative/secretarial support staff for department

The Communications Office continues to develop 'Mission-shaped Communications', based on making the Office's operations mission-orientated, professional, proactive and integrated. The Communications Office serves the Archbishops' Council, the General Synod, the House of Bishops, the Church Commissioners and the Pensions Board. It co-ordinates its activities with communications staff at Lambeth and Bishopthorpe, and in the dioceses.

The Office issues a daily briefing each morning to senior clergy and office-holders in the Church, and provides a daily press cuttings service. It also produces a weekly broadcasting summary, and *All Staff*, a weekly news bulletin for staff of the NCIs, as well as overseeing the NCIs' intranet.

Recent initiatives have included:

- A new focus for the Church's environmental campaign 'Shrinking the Footprint' with the publication of the CofE's seven-year climate change action plan in the run-up to the Copenhagen Climate Conference.

- The Weddings Project's extension for a further two years to facilitate its roll-out to dioceses. Media support for the project is provided by the Communications Office, which also took over the management of the Church's participation in national weddings shows, and local and diocesan participation at regional shows.
- Preliminary work to take forward a new Church of England website, developing a specification and selecting a company to develop the site. Development work linked to new digital technologies continued with the launch of an online Advent calendar, produced in association with the two Archbishops and around 20 dioceses. The Office also launched a Twitter feed during the year.
- Continuing to speak into the financial crisis by developing its web-based resources to include a series of short films by stewardship adviser John Preston,
- Work on media policy issues increased with the production of several high-profile submissions and support for the Bishop of Manchester in the Lords.
- A significant increase in the work carried out for the Church Commissioners has led to an increase in their contribution.
- A new staff intranet for the NCIs, as part of the response to the 2008 staff survey that showed internal communications needed to be improved.

2011 budget: particular factors

- Public Affairs: continuing to promote the Church's position on key issues, including assisted suicide, faith schools and the use of church buildings.
- Media Communications: provide a professional, proactive media service; provide an efficient, informed service for the media. Provide communications training, including identifying and training 'good talkers' who can speak for the Church on specific subjects; offer this training more widely as a resource for the dioceses.
- Communications Technology: Developing the new website, continuing to explore the use of new communications technologies, including social networking. In financial terms, this requires meeting webhosting and development costs.
- Communicating Synod: Examining ways that General Synod can be communicated as widely as possible.
- Diocesan Liaison: Supporting the network of diocesan communicators, including resourcing the continuing professional development programme.
- Media Policy: Supporting the role of the Bishop of Manchester on the House of Lords; resourcing the 'Religion in Media' group; liaising with the Church and Media Network; and engaging with appropriate consultations.
- The cost of the four national weddings shows per year (currently met by the legacy funding allocated to the Weddings Project, which ends in Q3 2011). The 2011 budget includes the cost of the remaining two shows in this year.
- Working across several of the objectives, continue to take forward development work for festivals, life events and the profiling of 'front-line' CofE people.

The Office:

- Provides free in-house communications training to NCI staff for work-related courses, where space permits, also offering this training on a 'at cost' basis to the dioceses. It earns income from external charity and commercial bookings of the Church House studio/training room.
- Services the Church's membership of the ecumenical Church and Media Network, and the Religion in Media Group established by General Synod.
- Undertakes the media training of bishops, with operational costs reimbursed from the Church Commissioners, who underwrite the Bishops' CME budget.

Human Resources

<u>Director</u>	Su Morgan
<u>Number of Staff:</u>	8 Full-time 6 Part-time (AC share: 3.1FTE)
<u>Budget 2011:</u>	£666,866
<u>NCI costs:</u>	AC share: £280,084 CC share: £290,087 PB share: £96,696

Functions

- Creating a high performance working environment where staff have role clarity and focus on delivery, learning and development is actively pursued, and career pathways are well defined within the limits of small organizations
- Establishing a 'partnership' culture between employers, staff and trade unions through effective consultation and negotiation mechanisms
- Promoting joint employer initiatives and improved cultural alignment between the NCIs
- Developing a diverse workforce and a fair and just workplace
- Pursuing the optimum deployment of staff through strategic resourcing, reward and HR information systems
- Developing a safe and healthy working environment
- Enabling, with others, bishops and dioceses to better support and develop their parish clergy.
- Provide HR services to 7 Southern dioceses, via a Service Level Agreement (SLA), as part of the Ecclesiastical Office Holders' Terms of Service roll out.

Staffing

- HR Director
- Operations Manager plus 3.4FTE staff (including Occupational Health & Safety and Information Services advisers)
- Ecclesiastical Office Holders' Terms of Service Team Manager + 1 staff
- Diocesan Services Team Leader plus 2.7FTE staff

The HR department aims to support the National Church Institutions and diocesan bishops achieve their mission and business objectives by delivering efficient and cost effective HR services, including support for recruitment, in relation to the 497 staff employed by the NCIs and the 108 staff of diocesan bishops. It also contracts with the Corporation of Church House for services in relation to their 31 staff. Additionally health, safety and welfare advice and services are provided to the 206 staff employed directly by the Church Commissioners on their estates and the Pensions Board in their residential schemes. It works with the Ministry Division, the Legal Office and dioceses to design, develop and implement the Church's strategy to give ecclesiastical office holders improved terms and conditions of service.

Since 2009 Diocesan HR Advisers have been employed to provide services under an SLA (with associated recharge) to the dioceses of Oxford, Canterbury, Winchester/Salisbury, Exeter/Truro and Portsmouth.

Legal Office

<u>Director:</u>	Stephen Slack
<u>Number of Staff:</u>	13 full-time and 1 part-time posts (AC share: 7.7 FTE)
<u>Budget 2011:</u>	£1,164,790
<u>NCIs costs:</u>	AC share: £668,421 CC share: £482,863 PB share: £13,506

Functions

- Legal advice and support to the General Synod and its Houses and committees / commissions
- General Synod's legislative programme
- Advice to the Archbishops' Council, the Church Commissioners and the Church of England Pensions Board, together in each case with their staff and committees, on legal issues arising in their work
- Informal legal advice and support to dioceses and their registrars
- Conveyancing and property law (Terrier and voluntary registration projects and ecclesiastical property and retained commercial property work)
- Clergy discipline

Staffing

- Head of Legal Office / Chief Legal Adviser to Archbishops' Council and General Synod / Official Solicitor to the Church Commissioners
- Deputy Official Solicitor to Church Commissioners
- Deputy Legal Adviser to the Archbishops' Council and the General Synod
- Standing Counsel to the General Synod
- 6 other solicitors / barristers (including the Designated Officer under the Clergy Discipline Measure)
- 4 support staff

The Legal Office will continue to provide legal services and support to all the National Church Institutions. Property work and advice will largely be related to ecclesiastical property, work on the Church Commissioners' Terrier and voluntary registration project and some retained property work.

The Legal Office is responsible for the General Synod's legislation and gives legal advice (increasingly on the impact of Government legislation) to the General Synod and its Houses (especially the House of Bishops), committees and commissions and to the Archbishops' Council, the Church Commissioners and the Pensions Board and their respective committees and staff. It also provides advice and a secretariat for the Clergy Discipline, Fees Advisory, Legal Advisory and Legal Aid Commissions, to the Synod's Business, Standing Orders and Legislative Committees and to the Ecclesiastical Rules Committee.

Priorities ahead:

2010 will see a requirement to provide legal services, and to service legislative Steering and Revision Committees where necessary, including for legislation amending the Clergy Discipline Measure. A range of advice will be required, including in relation to the implementation (from early 2011) of Common Tenure.

In the summer of 2010 the Legal Office and HR will conduct a review with a view to deciding whether or not to implement the proposal contained in the 2010 budget bid (which has not yet been acted on) to recruit an additional legally qualified member of staff with employment law expertise to (a) provide legal advice to the NCIs on employment law issues and (b) support the giving of HR advice to dioceses in connection with the implementation of 'Common Tenure'.

Finance & Resources

<u>Director</u>	:	Ian Theodoreson
<u>Number of Staff</u>	:	55 Full-time 5 Part-time (AC share:18.2 FTE)
<u>Budget 2011</u>	:	£3,388,215
<u>NCIs costs</u>	:	AC share - £798,032 CC share - £1,952,072 PB share - £638,111

Functions

- The Finance & Resources department, provides financial support services to the NCIs and the wider church generally.
- At the core of the service the department is responsible for maintaining the books of account, paying the bills, securing the assets, and ensuring the bodies are legally compliant in terms of statutory reporting, and tax and charity law. This includes the production of management accounts and managing the NCIs' budget processes.
- From 2010 the department has taken over responsibility for Clergy Pay and an integrated payroll services function has been established combining all payroll activity into a single function
- The department too is responsible for providing specialist SAP system support to the business
- Separate to the engine room activities are the important functions of financial policy and planning and resource allocation, evaluation and measuring impact. This will become increasingly significant for the NCIs in general as, for instance; the church seeks to respond to Charity Commission demands for an increased focus on impact measurement.
- The last area of activity relates to the work of the National Stewardship and Resources Officer – supporting parishes and dioceses in developing mechanisms for effective giving and, increasingly, looking at better ways to manage expenditure too through common working.

Staffing

- Chief Finance Officer
- Director of Accounting Services (plus 24 staff)
- Head of Payroll Services, including Clergy Pay (plus 15 staff)
- SAP Support Manager (plus 2 staff)
- Head of Financial Policy and Planning (plus 2 staff)
- Strategy Development Manager (plus 2.5 staff)
- National Stewardship and Resources Officer (plus 0.5 staff)
- Crockford (2 staff)
- Secretary to Church & Community Fund (plus 1 assistant)
- 3 secretarial/support staff

Priorities going forward:

- SAP was implemented across the three NCIs with effect from 1 January 2009 and the immediate focus is to drive material benefits from the new system using it to provide improved management information, streamline processes and improve financial controls.
- An enhanced treasury function will be established to implement the newly agreed treasury policies across the 3 NCIs and improve the efficiency and effectiveness of the treasury operation. At the same time the integration of the payroll functions will provide an opportunity to simplify the

payroll operation ahead of implementing a new Clergy pay system to replace the ageing UNIX system (possibly as early as 2011).

- The department will be overseeing the implementation of the Church Commissioners' spending plans for the next triennium and in particular working with dioceses to establish improved ways of measuring the effectiveness of spending of centrally provided church resources.
- A Procurement Officer is to be recruited to identify, in partnership with dioceses, opportunities to negotiate purchasing deals on behalf of the wider church and to promote their take-up in parishes.

IT & Office Services

<u>Director</u>	:	Declan Kelly
<u>Number of Staff</u>	:	21 Full-time (AC share: 8.5FTE)
<u>Budget 2011</u>	:	£1,377,378
<u>NCIs costs</u>	:	AC share - £502,638
	:	CC share - £618,670
	:	PB share - £256,070

Functions

- Minor systems development
- Programming
- Software configuration, customisation and maintenance (including SAP)
- Technical support and operations
- IT and reprographics procurement
- IT consultancy services (including to dioceses)
- Telephony systems management
- Access control management
- Insurance procurement
- Xerox & Printing
- Stewarding service

Staffing

- Head of IT
- 6 Technical & IT Support staff
- 4 Analyst Programmers & Systems Analysts
- IT Trainer & IT Financial Support
- Computer Control assistant
- Office Services Manager & Administrator
- 3 Reprographics Staff
- 2 Meeting room stewards

The department provides a wide range of IT & office services to the National Church Institutions. This includes technical support on hardware & software issues and assistance with the development and/or implementation of infrastructure. Most in-house legacy systems running under Unix have been supplanted by SAP but a number, including Clergy Pay and Crockford, still remain and are maintained by the team. The team also provides support for SAP, particularly with regard to the NCIs Real Estate and Loans Management reporting requirements. The IT section is taking an increasing role in SAP BASIS, ABAP and BI support.

2011 budget:

- The budget for 2011 reflects an ongoing reduction in total staff numbers, a reduced need for SAP training and reduced software costs in the light of completed projects and projects scheduled in 2010.
- During 2010 the IT department will be heavily involved in specifying and driving the proposed HR and Payroll replacement project with a view to starting implementation in 2011

Records

<u>Head</u>	:	Declan Kelly
<u>Number of Staff</u>	:	9 full-time (2 part-funded) (AC Share: 2.6 FTE)
<u>Budget 2011</u>	:	£ 710,137 (including £368,000 accommodation charges)
<u>NCI costs</u>	:	AC share - £197,996
	:	CC share - £464,252
	:	PB share - £47,889

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
- Advice to the wider Church on record keeping
- Cataloguing of CERC archival holdings into NCIs online archival catalogue
- Title research for glebe property on behalf 43 Anglican dioceses in England
- Public access to historical archives through the reading room at Lambeth Palace Library
- Answering public enquiries concerning the archives of the NCIs

Staffing

- Director (60% funded by Lambeth Palace Library & IT department)
- Operations Manager
- 3 Archive/Records Management staff
- 3 Record Centre Assistants
- IT Systems Administrator (50% funded by Lambeth Palace Library)

The Record Centre provides a records 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 (NCIs). The Council now holds most of its semi-current material at the Record Centre, located in Bermondsey, to maximise use of lower-cost storage. Advice and support is provided to departments on paper and electronic records management. Priorities for 2011 will include continuing to provide records management advice for NCI departments; further advice for the wider Church on record keeping following the production of guides to parish, diocesan and, in 2009, Episcopal records; and continuing the cataloguing of record centre archival records onto the pan-NCIs online archival catalogue. Important subsidiary roles include providing research access to the historical records of the NCIs through the reading room at Lambeth Palace Library, answering public enquiries concerning the archives of the NCIs and providing a title research service for many of the 43 Anglican diocesan registries in England, which is assuming greater importance as many of them embark on land registration projects.

2011 Budget

No major changes to expenditure are proposed for 2011. Staffing levels of the Record Centre will remain the same as for 2010 at 9 full-time staff (2 of whom are part-funded by Lambeth Palace Library). Non-staff costs at CERC will be reduced slightly compared to 2010, but projected income levels will be slightly lowered following planned departure of two external customers.

Internal Audit

<u>Head</u>	:	Kim Parry
<u>Number of Staff</u>	:	7 Full-time (AC Share: 1.2FTE)
<u>Budget 2011</u>	:	£430,334
<u>NCIs costs</u>	:	AC share - £78,237 CC share - £226,551 PB share - £125,546

Functions

- Independent, objective assurance on governance, risk management and internal control
- Consultancy, advocacy and advice to management
- Secretariat to the Audit Committees

Staffing

- Head of Internal Audit
- Deputy Head of Internal Audit
- Senior Internal Auditor
- 3 Internal Auditors
- Audit Assistant & Team Administrator

Internal auditing is provided by the Church of England Pensions Board as a common service for the National Institutions of the Church of England. Its principle customers are the Church Commissioners, the Church of England Pensions Board, and the Archbishops' Council. The Internal Auditing Department's primary responsibility is to add value by providing customers' management and trustees with independent and objective assurances about the identification and mitigation of business risks and by identifying operational and governance improvements.

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

2011 budget

- The budget assumes a level of service set out in the Service Level Agreement and strategic audit plans agreed with the principle customers.

Church House Publishing

<u>Head:</u>	Thomas Allain-Chapman
<u>Number of Staff:</u>	1 full-time 1 part-time
<u>Budget 2011:</u>	Sales: £738,596
	Net surplus: £44,106

Functions

- Official publisher to the Archbishops' Council
- Publishing Common Worship texts and resources to complement these and to support the Liturgical Commission's liturgical formation initiative
- Publishing Archbishops' Council official publications (e.g. Crockford and the Church of England Yearbook)
- Official General Synod publications, e.g. major reports and commissions, Report of Proceedings and legal publications (e.g. Canons)
- Publishing material to further the mission and enhance the reputation of the Church of England

Staffing

- Publishing Manager
- Finance Officer (part-time)

Church House Publishing (CHP) supports the mission of the Archbishops' Council through publications, both in traditional and new media. In 2009, CHP sold over 200,000 products over 500 different product lines. A total of 33 new titles were produced, and 28 existing titles were reprinted or reissued.

Church House Publishing is the publishing imprint of the Archbishops' Council. On 29 June 2009, the Council signed an agreement with Hymns Ancient & Modern Ltd (HA&M) to publish liturgy, key reference titles and other resources for the Church in its own name, with HA&M acting as its production and marketing arm.

2011 Budget

- CHP budgeted sales of £739k, down £196,000 on 2009 (the previous Crockford year) and £5,000 on the forecast for 2010 (a non-Crockford year).
- Titles to be published in 2011 will include a *Common Worship* volume for Holy Week, an annual edition of *Reflections for Daily Prayer* for 2012 as well as the annual *Lectionary, Church of England Year Book* and the 102nd edition of *Crockford*.
- The overall outturn for 2011 is budgeted to show to a trading surplus of £44,000, an improvement of £64,000 on the outturn deficit of £20,000 in 2009.

Accommodation

<u>Budget 2011:</u>		£2,809,235
<u>Share of costs:</u>	AC share:	£1,253,035
	CC share:	£1,004,934
	PB share:	£410,018
	Other tenants:	£141,048

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. In accordance with the revised lease terms agreed in January 2010, the annual rent payable to the Corporation will increase by RPI (previously 5.0% p.a.).

Depreciation

<u>Budget 2011:</u>	£187,135
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The Archbishops' Council's depreciation budget includes the annual charge for its capital expenditure on the 2007 office relocation project (£32,000 p.a. depreciated over a 10-year period) and the Council's share of the pan-NCIs SAP project (£155,000 p.a. depreciated over a 5-year period).

Grants (Vote 3)

<u>Budget 2011:</u>	£1,554,700
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1. This budget comprises contributions to Anglican Communion and Ecumenical activities and other grants.
2. The Inter Anglican Budget meets the Church of England's contribution towards the Anglican Communion Office (which also provides the Secretariat for the Lambeth Conference, the Anglican Consultative Council and the Primates' meetings).
3. The Church of England actively supports, both financially and through involvement in their activities, the home ecumenical instruments of Churches Together in England (CTE) and Churches Together in Britain and Ireland (CTBI), the Conference of European Churches (CEC) and the World Council of Churches (WCC).
4. The Archbishops' Council's contribution towards the home ecumenical instruments has been maintained at the 2010 budget level of £260,000.
5. In 2004 the Archbishops' Council decided that its contributions to the WCC should be frozen for the foreseeable future. The 2011 budget maintains this freeze – providing a grant to WCC of £108,000. The Council's contribution towards the home ecumenical instruments has also been maintained at the 2010 level.
6. The budget includes provision for increases of 4.0% for the Inter-Anglican budget and 2.0% for the grant to CEC.
7. National support, through Vote 3, is also provided towards the administrative costs of the Church Urban Fund (CUF). The Council's 2011 budget contribution has been held at the 2010 level of £203,000.
8. A significant factor behind increases in Vote 3 in recent years has been annual contributions to the Legal Aid Fund. The Synod is required by Measure to maintain a Legal Aid Fund, which is held by the Council on its behalf, to meet the cost of ecclesiastical legal aid awarded by the Legal Aid Commission. The relevant legislation was reviewed thoroughly 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.
9. 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. The 2011 budget for legal costs met via Vote 3 (which also includes the costs of tribunals) has been maintained at the 2010 level of £400,000.

10. The overall effect of the above changes is for a total Vote 3 budget for 2011 showing a 1.3% increase from the 2010 budget.
11. The detailed analysis of grants is as follows:-

	Budget 2010 £	Budget 2011 £
Anglican Communion Activities		
Inter Anglican Budget	438,050	455,600
	<u>438,050</u>	<u>455,600</u>
Ecumenical Activities		
Home Ecumenical Instruments	260,000	260,000
World Council of Churches	108,000	108,000
Conference of European Churches	84,000	85,700
Expenses of representatives	20,400	20,400
	<u>472,400</u>	<u>474,100</u>
Other grants		
Church Urban Fund	203,000	203,000
Legal Costs (Including Legal Aid Fund)	400,000	400,000
Minor Grant Schemes	22,000	22,000
	<u>625,000</u>	<u>625,000</u>
TOTAL	<u>1,535,450</u>	<u>1,554,700</u>

Mission Agencies

Clergy Pension Contributions (Vote 4)

<u>Budget 2011:</u>	£847,250	(apportionment: £800,000)
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- 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 to September 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.
- Expenditure in 2009 was £737,000 compared with the budget of £800,000. The underspend was due to a further reduction in the number of clergy employed by the mission agencies. The forecast for 2010 remains, for now, in line with agreed budget of £831,000. Both these figures take account of the current clergy pension contribution rate of 45.0%.
- In the 2011 budget it has been assumed that the contribution rate will remain at this level and thus implicitly that the benefit changes endorsed by General Synod in February 2010 will be brought into effect. If a higher contribution rate applies for all or part of 2011, the additional costs will be met from Vote 4 reserves.

SOCIETY	2004	2005	2006	2007	2008	2009	2010 (Q1)
Crosslinks	16	14	18	20	22	26	24
CMS	31	25	23	21	16	13	12
CPAS	12	12	12	12	9	7.5	10.5
Community of St Mary	1	1	1	0	0	0	0
Melanesian Mission Society	1	1	1	0	0	0	0
Mission to Seafarers	12	11	11	12	14	15.5	14.5
South American Mission Society	16	12	15	13	13	12	11
USPG	21	20	20	15	12	8	6
Church Army	7	5	5	6	6	6	5
Churches Ministry Among Jews	2	2	2	0	0	0	0
SOMA	2	2	2	1	1	1	1
Papua New Guinea Church	1	1	1	1	1	1	1
Inter-Continental Church Society	8	7	6	6	5	6	6
TOTALS	130	113	117	107	99	96	91

Note: with the exception of Q1 2010, the figures shown are averages for the year

CHARM (Vote 5)

<u>Budget 2011:</u>	£3,415,550
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1. The Church's Housing Assistance for the Retired Ministry (CHARM) scheme, in its current format, was introduced in 1983 and was established to provide housing for those retiring from stipendiary ordained and lay ministry. The scheme is administered by the Church of England Pensions Board.
2. Since 2005, costs associated with the CHARM scheme have been met from diocesan apportionment. (Until then these costs had been met by the Church Commissioners and the change enabled them to make additional money available for selective parish mission and ministry support.) These costs relate to the subsidy that is provided to limit the sum paid by occupants of rental scheme properties to 30% of their total income, and to the costs incurred by the Pensions Board in administering the scheme.
3. Clergy seeking to be housed under the scheme may apply to the Board, who will assess the individual's eligibility, taking their financial circumstances into account. Applicants with capital resources to invest in their retirement property are granted access to the shared ownership option of the scheme (which replaced the mortgage arm of the scheme in April 2008) where the Board's maximum contribution is £150,000. Applicants with insufficient capital for the shared ownership scheme may be eligible for the rental scheme. Under this scheme, the Pensions Board purchase properties for up to £200,000 (£225,000 for properties in the South East) in value, or use an existing vacant property. The beneficiary is granted a licence to occupy the property.
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 2009 there were 2,574 properties in the scheme (mortgage 1,250, shared ownership 40 and rented 1,284). This is almost 10% less than the 2,846 properties (mortgage 1,482 and rented 1,364) as at the end of 2004, when Vote 5 was brought into the Council's budget. That said the survey carried out as part of the Review of Retirement Housing in 2008 indicated that around 30% of retiring clergy expected to need the assistance under the scheme.
5. Since its inception, around 80% of the capital required to fund the scheme has come from the Church Commissioners through loan finance on a 'value linked basis.' The Pensions Board has also used its charitable funds to purchase some properties and at the end of 2009 held a 100% interest in 368 properties. The Board does not charge any interest on the capital it has invested and this represents an additional subsidy to the scheme amounting to around £1.5million p.a. The current initial interest rate on loans from the Commissioners is 4% p.a. and this increases annually, broadly in line with the rate of inflation. When Commissioners' loans are repaid, they receive the same proportion of the sale proceeds as their original investment related to the purchase price (adjusted for any additional loans or part repayments during the life of the loan). Additionally, any capitalised improvements funded by the Commissioners are treated as further advances against the properties and attract interest on the same basis as new loans.

6. Last year's Financial Strategy Review (FSR) re-stated the Commissioners' intention² to cease providing capital for new loans, and also for capital improvements to existing properties, when the existing financing agreement expired in July 2010 and hence the Pensions Board would need to explore alternative sources of capital for the scheme.
7. The Vote 5 forecast for 2011-2015 within the FSR did not make specific allowance for any fundamental change in costs as a consequence of the new financing arrangements since no pricing information was available at the time. It was forecast, however, that Vote 5 expenditure would increase by around 5% p.a. throughout the period. This recognised the inflationary pressures on Vote 5 including the automatic annual inflationary increases in the rate of interest charged on the existing loans from the Commissioners, building cost inflation (in respect of maintenance and repair works), increases in insurance costs and salary inflation in relation to the cost of administering the scheme.
8. The Pensions Board is in the advanced stages of negotiation with a commercial provider regarding a loan facility to provide the capital required over the next three years. This will increase the cost of running the CHARM scheme given current market interest rates and the additional costs involved in sourcing and maintaining the availability of commercial loan finance.
9. Under the new funding arrangements the Pensions Board will retain the full risks and rewards of future capital appreciation on the property acquired. Recognising this, the Pensions Board has agreed that it will endeavour to smooth the subsidy funded by dioceses through the use of its charitable funds. Thus part of the subsidy will in future be funded from the sale of existing properties owned by the Board and realised capital appreciation from sales of properties financed under the new arrangements. It is estimated that by doing this, increases in Vote 5 can be limited to their projected FSR rise of 5% p.a. until 2015. However the Board will need to regularly review their ability to maintain this arrangement in the light of events and the cost of each new tranche of borrowing.
10. To help smooth the transition the Commissioners have agreed to continue (for the next 10 years) to make a substantial, albeit reducing, contribution to the cost of capitalised improvements in respect of those properties for which they have provided finance.
11. Taking all these factors into account the 2011 budget and apportionment for Vote 5 are £3,415,550 - 5.0% above the 2010 levels. This understates the overall cost to the Church of running the CHARM scheme as it does not include the indirect subsidy provided by the Pensions Board from not charging interest on capital from its charitable funds used to purchase CHARM properties referred to above nor the additional subsidy the Board will endeavour to provide following the introduction of the new financing arrangements.

² originally provided in 2007, on investment and diversification grounds, by the Church Commissioners' Assets Committee.

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 and to give the Council some modest flexibility to smooth year-on-year apportionment increases should there be significant additional expenditure pressures (in recent years this approach has been taken for Votes 1 and 5). The minimum and maximum levels under the policy are set out below.

	Policy		Forecast	
	Minimum (as at end 2011)	Maximum (as at end 2011)	Start 2011	End 2011
Vote 1	£1.51m (1.5 months net expenditure)	£3.02m (3 months net expenditure)	£2.20 million	£2.37 million
Vote 2	£1.27m (1.5 months net expenditure)	£2.54m (3 months net expenditure)	£2.55 million	£2.55 million
Vote 3	£194,000 (1.5 months net expenditure)	£389,000 (3 months net expenditure)	£173,000	£173,000
Vote 4	£106,000 (1.5 months net expenditure)	£212,000 (3 months net expenditure)	£255,000	£208,000
Vote 5 (including designated fund)	£285,000 (1 months net expenditure)	£569,000 (2 months net expenditure)	£287,000	£287,000

Apportionment

The recommended apportionment table for 2011 using the usual formula is shown on the following page.

One of the recommendations implemented in 2008, following the Apportionment Limited Review Group's report (GS Misc 888), was for a cap which would guarantee that the maximum apportionment increase to be requested from any diocese would be no more than a fixed percentage above the overall apportionment increase. The Council has set this cap at 2.0% for the 2011 budget. Thus in 2011 with the overall recommended apportionment increase at 1.5%, the maximum increase for any diocese (before the pooling adjustment) is 3.5%.

Table of Apportionment for 2011 (with 2.0% cap)

Diocese	Training for Ministry	National Church Responsibilities	Grants & Provisions	Inter-diocesan support of Mission Agency clergy pension contributions	CHARM	Apportionment 2011	% change 2011 on 2010	Pooling	votes 1 to 5 post pooling
	VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5	VOTE 1-5			
	£	£	£	£	£	£	%	£	£
Bath & Wells	323,998	268,419	41,152	21,176	90,626	745,371	1.6	14,773	760,144
Birmingham	181,275	150,179	23,025	11,847	50,705	417,031	0.3	- 27,158	389,873
Blackburn	265,529	219,980	33,726	17,354	74,272	610,861	1.0	- 4,920	605,941
Bradford	100,389	83,168	12,751	6,561	28,079	230,947	0.4	- 32,559	198,388
Bristol	191,412	158,576	24,312	12,510	53,540	440,350	0.4	30,341	470,691
Canterbury	194,408	161,059	24,692	12,706	54,378	447,242	1.7	13,101	460,343
Carlisle	169,232	140,201	21,494	11,060	47,336	389,323	1.6	51,296	440,619
Chelmsford	464,601	384,902	59,010	30,365	129,954	1,068,833	1.5	108,022	1,176,855
Chester	404,404	335,032	51,365	26,431	113,116	930,348	1.5	26,141	956,489
Chichester	536,413	444,395	68,131	35,058	150,041	1,234,039	1.9	-153,445	1,080,594
Coventry	186,302	154,343	23,663	12,176	52,111	428,594	0.8	10,483	439,077
Derby	182,077	150,843	23,126	11,900	50,928	418,874	-0.8	55,787	474,661
Durham	183,200	151,773	23,268	11,973	51,243	421,458	1.4	- 8,959	412,499
Ely	221,075	183,151	28,080	14,449	61,837	508,592	0.9	-210,231	298,361
Exeter	277,216	229,661	35,210	18,118	77,540	637,745	1.4	20,921	658,666
Gloucester	246,312	204,060	31,284	16,098	68,896	566,650	1.2	- 88,103	478,547
Guildford	401,475	332,606	50,993	26,239	112,297	923,611	2.4	103,858	1,027,469
Hereford	142,336	117,919	18,078	9,302	39,813	327,448	2.1	56,054	383,502
Leicester	163,292	135,280	20,740	10,673	45,674	375,659	-0.4	- 36,945	338,714
Lichfield	375,136	310,784	47,647	24,518	104,930	863,015	1.5	35,658	898,673
Lincoln	290,012	240,263	36,836	18,954	81,120	667,185	1.4	77,357	744,542
Liverpool	243,807	201,983	30,967	15,935	68,195	560,887	1.2	- 445	560,442
London	1,018,559	843,832	129,370	66,570	284,903	2,343,234	3.5	-382,033	1,961,201
Manchester	287,529	238,205	36,520	18,792	80,425	661,471	-0.6	59,170	720,641
Newcastle	141,200	116,978	17,934	9,229	39,495	324,837	1.9	14,016	338,853
Norwich	230,321	190,812	29,254	15,053	64,423	529,863	0.8	2,924	532,787
Oxford	757,503	627,559	96,212	49,508	211,882	1,742,665	1.4	- 57,165	1,685,500
Peterborough	226,161	187,365	28,726	14,781	63,259	520,292	3.5	49,356	569,648
Portsmouth	152,807	126,594	19,408	9,987	42,742	351,538	-0.4	46,843	398,381
Ripon & Leeds	168,338	139,460	21,381	11,002	47,086	387,266	1.1	30,095	417,361
Rochester	343,238	284,358	43,595	22,433	96,007	789,632	1.6	- 61,864	727,768
St Albans	464,146	384,525	58,952	30,335	129,827	1,067,785	1.4	183,093	1,250,878
St Eds & Ips	216,961	179,742	27,557	14,180	60,686	499,126	2.0	65,971	565,097
Salisbury	389,390	322,593	49,457	25,449	108,917	895,805	3.0	68,952	964,757
Sheffield	159,257	131,937	20,227	10,409	44,546	366,376	0.6	14,518	380,894
Sodor & Man	28,428	23,552	3,611	1,858	7,951	65,401	3.5	15,452	80,853
Southwark	553,802	458,802	70,340	36,195	154,905	1,274,044	2.1	-245,864	1,028,180
Southwell	180,602	149,621	22,939	11,804	50,516	415,483	1.4	- 66,770	348,713
Truro	136,318	112,933	17,314	8,909	38,129	313,603	1.5	49,925	363,528
Wakefield	165,951	137,484	21,078	10,846	46,419	381,779	1.2	36,084	417,863
Winchester	358,501	297,003	45,534	23,431	100,276	824,745	-0.1	45,733	870,478
Worcester	188,599	156,246	23,954	12,326	52,753	433,878	0.9	64,922	498,800
York	299,483	248,108	38,038	19,573	83,768	688,970	2.6	63,195	752,165
Europe	-	-	-	-	-	-	-	3,435	3,435
Armed Forces	29,508	24,444	3,748	1,930	-	59,630	1.5	-	59,630
Armed Forces Pooling	-	-	-	-	-	-	-	- 34,145	- 34,145
totals	12,240,500	10,140,735	1,554,700	800,000	3,415,550	28,151,485	1.5	-	28,151,485