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The Archbishops' Council

Annual Report and Financial Statements
for the year ended 31 December 2014

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From the Presidents



2014 will, like 1992, be remembered as a significant year in the evolution of the Church of England's ministry. The final approval of legislation to enable women to become bishops came, like the earlier decision on women and the priesthood, after many years of discussion, prayer and discernment.

While the formal responsibility for various stages of the legislative process lay elsewhere, discussions within the Council at various moments, not least immediately following the end of the earlier legislative process in November 2012, played an important part in the building of trust that was essential to secure an outcome that could command very wide support. A number of Council members were part of the various working groups and committees and our staff played a central part throughout in supporting the process.

This was also a year when several major policy reviews in relation to resources, ministry, regulation and the role of the National Church Institutions were undertaken in the light of decisions taken by the Council towards the end of 2013. Working in partnership with the House of Bishops and the Church Commissioners the Council had, by the end of 2014, considered a wide ranging set of recommendations from a series of task groups and commended the emerging programme of reform and renewal for consideration by the Synod and the wider church.

The programme and all of the work of the Council has continued to be shaped by the three priorities adopted by the Council and the House of Bishops namely, promoting the spiritual and numerical growth of the Church, contributing to the common good and reimagining ministry. Although initially adopted for the lifetime of the 2010- 2015 General Synod they will continue to provide the compass by which the Council's work will be steered over the coming years.

 **Justin Cantuar**

 **Sentamu Ebor**

Joint Presidents
22 May 2015

The Archbishops' Council

at a glance

The Council's statutory object is to 'coordinate, promote, aid and further the work and mission of the Church of England'

Set up in 1999 following 1994 report
Working as One Body

In consultation with House of Bishops and General Synod, the Council brings together considerations of policy and resources.

Its 19 members, including the joint Presidents, are from General Synod (both elected representatives from each House and officers) or appointed by the Archbishops (with approval from General Synod). Full details on p.33

Its work is principally resourced by contributions from Church of England dioceses and by funds made available to it by the Church Commissioners.

The council continues to set its strategic aims and objectives against the **three priorities** noted in the Archbishops' introduction above, namely:

1. contributing to the common good
2. promoting the spiritual and numerical growth of the Church
3. seeking to re-imagine, reshape and re-energise lay and ordained ministry

The Council's **principal responsibilities** on behalf of the wider Church are:

distributing funds received annually from the Church Commissioners for the support of ministry and mission in the dioceses of the Church of England;

resourcing the **selection and training** of people to carry out public ministry, both lay and ordained;

resourcing engagement with issues of **social justice** and public debate, promoting church growth and social cohesion;

sustaining and developing work in education, lifelong learning and discipleship;

supporting the maintenance and development of the Church's built **heritage**;

supporting and promoting the Church's liturgy and forms of **worship**;

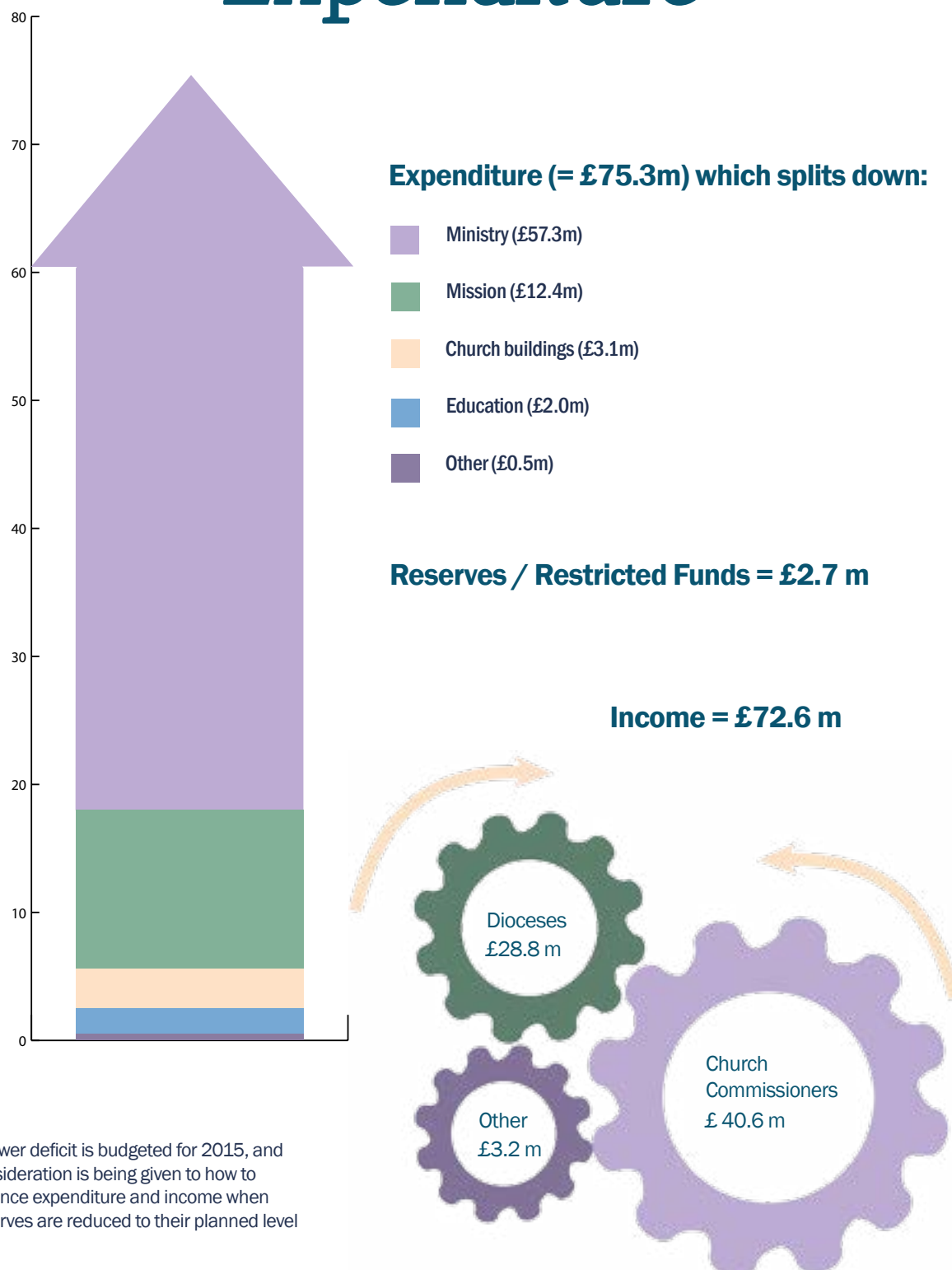
supporting the Church's **ecumenical engagement** both nationally and internationally;

promoting the Church's understanding of itself through **research** and statistical analysis;

supporting the Church's main debating and decision-making bodies;

strengthening the institutional effectiveness of the Church through promoting **good governance** (including effective risk management, financial and legal systems and processes).

Summary: Income and Expenditure



From the Secretary General



William Fittall, Secretary General

The range of work undertaken by the Council and on behalf of the other bodies supported by its staff is very wide. So, it is important to have clarity over its underlying purpose. In 2014 the chief officers of the Church Commissioners, Pensions Board and I produced the following statement, which has been shared with each of our trustee bodies:

“The primary mission and ministry of the Church of England is carried out in local communities. The purpose of the work undertaken at national level, in partnership with the dioceses, is designed to resource that mission and ministry. It consists of those activities which either, by their nature, can only be done nationally or are most effectively and efficiently done nationally. The National Church Institutions seek to ensure that work undertaken nationally is characterised by the professionalism, imagination, creativity and integrity of their staff, with a focus on outcomes and customer service.”

Much of what that has meant in practice in 2014 is set out in the following pages. I simply want to record a debt of gratitude to the staff team for the commitment, hard work and cheerfulness they have demonstrated through a year of unusual demands with three meetings of the General Synod, a series of major policy reviews and much else besides. I particularly want to pay tribute to two senior colleagues who left us in 2014, our Chief Education Officer, Jan Ainsworth, who retired after seven notable years and our HR Director, Su Morgan, who left for another senior appointment after sixteen years of innovation and delivery.

William Fittall

Profiles

The Archbishops' Council at work:



Staff

"I have always been passionate about ensuring research and statistics are easily understood. Before taking up the role of Head of Research and Statistics in the Archbishops' Council I worked for the National Centre for Social Research and previously the Office of National Statistics. As head of a committed team we work together to provide the best quality evidence to help leaders at all levels of our Church to make good decisions. This is wide-ranging: from helping the Archbishops' Council develop plans for the Reform and Renewal Programme, to making available to people in parishes a reliable basis that they can use as they plan for their mission, outreach and growth. We are extremely grateful to all the volunteers in our churches who provide the core statistical information on which this evidence is based. My hope for the year ahead is to improve the information available to local decision-making so that valuable resources are best employed to grow our Church and serve our communities."

Dr Bev Botting

Head of Research and Statistics



Parish Priest

"I'm priest in charge of two parishes in Salford, right on the edge of Manchester City Centre. We are living with constant change around us. After years of population decline we now have a rapidly growing population of mainly young adults. Ministering in an area like this is not easy although it is really enjoyable. We run a Community Arts project that creatively engages people. The financial support that comes from Archbishops' Council through our diocese has been a huge help to us. I'm also really pleased that Archbishops' Council has been listening and is finding ways to simplify the administrative burden on clergy. I love my community and I love my job but I don't love admin!"

Rev Canon Andy Salmon

Priest in charge of St Philip's and Sacred Trinity, Salford



Member

"As a member of the Archbishops' Council, I have taken a particular interest in making sure that "high-level" decisions take into account what it is like in the parishes, chaplaincies and areas of local ministry across our country. I am keen to narrow the gap between Church House and the church's presence in local communities. Where volunteers are hard to come by and money is scarce, there is still a need for the national church to encourage, enthuse and give permission for local ministers to experiment in a godly way."

Rev Canon Robert Cotton

Rector of Holy Trinity, Guildford

Contributing to the Common Good

The Archbishops' Council continues to contribute to the Common Good through its specialist teams which focus on delivering work in line with the strategic aims and objectives of the Council.

SOCIAL JUSTICE

In terms of mission through engaging with issues of social justice, the environment and the common good, the Mission and Public Affairs Division has been engaged in research on the use of food banks, support for the responsible credit and lending task group, agreement of the military covenant, work on promoting better mental health in Black and Minority Ethnic (BME) communities, opposition to assisted dying legislation and the usual wide range of support for bishops in the House of Lords. In addition colleagues have continued to support the Church Urban Fund in its various

initiatives; most notably the Near Neighbours programme to promote community cohesion in areas of significant racial and religious mix.

The Committee for Minority Ethnic Anglican Concerns, CMEAC, has established a new self-help network working initially with young people to strengthen the voice of minority ethnic church members. The network, which is developing a group of experienced Minority Ethnic (ME) people to advise and support, is growing rapidly through social media.

Following a debate at Synod in February 2014, a new **Environment Group** was established headed by the Bishop of Salisbury, Nick Holtam and supported by the bishops of Dudley and Kingston to give the Church's response to all matter relating to the environment, including its Shrinking the Footprint campaign, renewed focus and energy.

Shrinking the Footprint:
www.churchcare.co.uk/shrinking-the-footprint

TASKFORCE ON RESPONSIBLE SAVINGS & CREDIT

At the beginning of 2014 Mission and Public Affairs Division set up the Archbishops' Task Group on Responsible Saving and Credit, chaired by Sir Hector Sants. By the end of the year, the group had:

- Rolled out savings clubs and a national financial educational programme for primary schools ("Lifesavers") in three pilot areas (Bradford, Nottingham, SE London).
- Secured pilot funding (£235,000) from a major bank to support the Churches' Credit Champion Network in London, Southwark and Liverpool dioceses enabling churches to support local Credit Unions. In the first ten months, over 100 churches are involved leading to over 500 new people joining credit unions.
- Launched a website providing support for churches and individuals to engage and act for a fairer financial system: www.toyourcredit.org.uk



DBE for the Future:
bit.ly/1DzB6vW
 Rural schools report:
bit.ly/1vXbMuj
 RE Review:
bit.ly/1DzBKtl



EDUCATION

The follow up to the *Diocesan Board of Education (DBE) for the Future* report (July 2013) has had a significant impact, encouraging and helping dioceses as they build their capacity and respond in a changing educational landscape. With DBEs now carrying much more responsibility for the overall quality of education within their schools, dioceses have responded to the call for increased provision and resource for education teams highlighted in the report. A total of £7 million additional funding has been made available to DBEs through the provision of diocesan loans and grants. This has enabled the DBE or its multi-academy trust (MAT) to begin to build the school improvement support and infrastructure needed to continue to provide a resilient and successful family of Church schools.

The report highlighted the need for schools to be interdependent and as a result most dioceses have formed a MAT. There are now over 150 schools within diocesan MATs and many more academies are being encouraged

to move from single academy status and join a diocesan MAT.

A DBE for the Future has also led to several DBEs restructuring and refreshing their own governance arrangements to enable them to become more streamlined in the provision of strategic oversight.

Working Together, a report on the future of rural schools has been published to help dioceses as they review their strategy to secure rural education for the future. The report has been widely welcomed. Its national profile has enabled DBEs to approach the challenges of rural schools with renewed confidence.

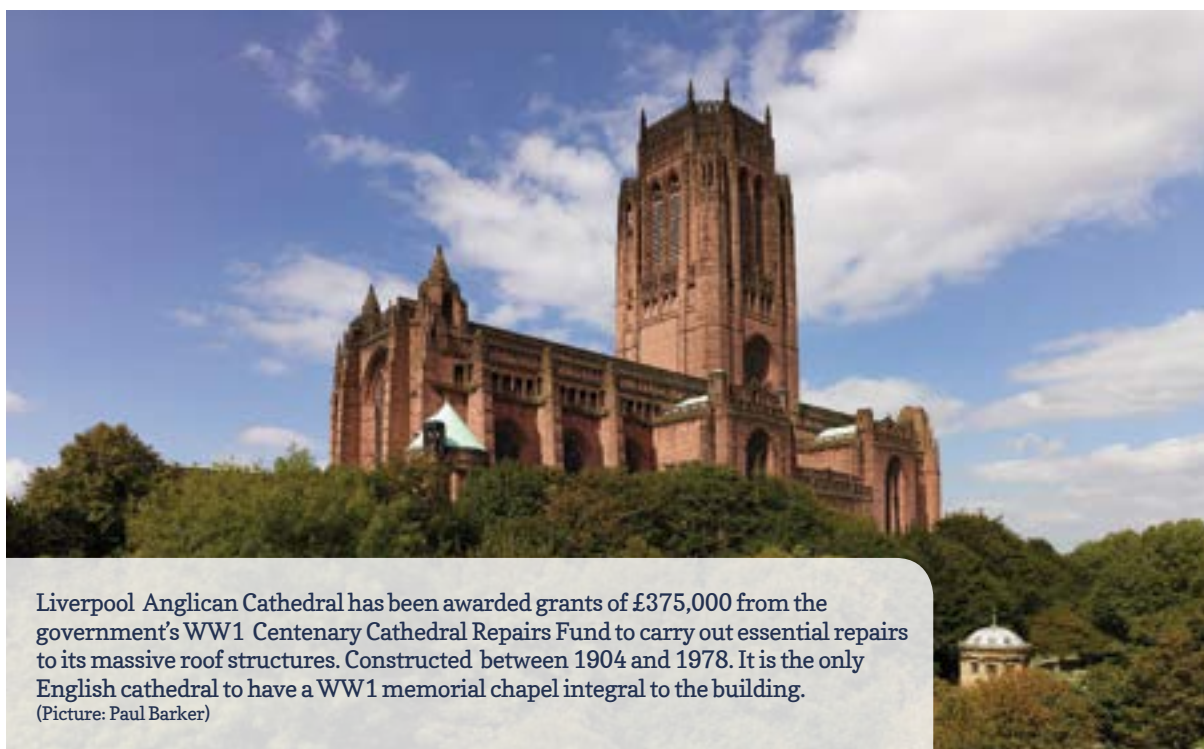
There has, as usual, had to be much fast moving reactive work in response to Department for Education (DfE) initiatives, for example on “British Values” following the Trojan Horse affair. The Education Office provided a submission on a DfE consultation on this in July 2014. A blog by the Chief Education Officer later in the year on this resulted in national press coverage (*Telegraph*,

Independent and *BBC*) focusing on the CofE calling for a much deeper conversation on the issue: www.cofecomms.tumblr.com/post/102433474907/british-values-in-schools

Making a Difference? The review of Religious Education (RE) in Church of England schools revealed a mixed picture – with good teaching and use of subject specialists at Secondary level but with many CofE primary schools facing similar challenges to those found in community schools because of the lack of subject specialists being used to teach RE. In order to improve the quality of RE, the Christianity project will provide important new resources for all (not just church) schools, focusing on the Christian faith.

Work on deepening lay involvement has included producing “going on growing” and resources for older people, *Seasons of my Soul*. A blog and video accompany this resource. *Seasons of my Soul*:
bit.ly/1DZ3n01

CATHEDRALS AND CHURCH BUILDINGS



Liverpool Anglican Cathedral has been awarded grants of £375,000 from the government's WW1 Centenary Cathedral Repairs Fund to carry out essential repairs to its massive roof structures. Constructed between 1904 and 1978. It is the only English cathedral to have a WW1 memorial chapel integral to the building.
(Picture: Paul Barker)

We aim to provide support for our 42 cathedrals and 16,000 church buildings to enable them to continue to be places where the ministry and mission of the Church of England can flourish. This includes securing funding (working closely with Government and other agencies) and providing practical support from online resources to conferences and seminars.

The securing of £20 million for cathedrals, from the Government's First World War Centenary Cathedrals Repair Fund followed by the £15 million fund for urgent repairs to the roofs of listed church buildings (increased in the 2015 Budget

to £55 million) have been notable outcomes in line with the Council's objectives.

Work with English Heritage on the inclusion of selected places of worship on their Heritage At Risk register (for the first time in a comprehensive way) has given a clear national picture of the present state of the Church of England churches.

The new Scrap Metal Dealers Act contributed to a sharp drop in the level of metal theft from churches, while making headway in relation to bats has continued to be uphill work. Central support for churches close to the proposed route of HS2 has continued, with

the petition submitted to the hybrid bill committee.

Following national consultation, considerable progress was made by the Rule Committee to develop legal and Rule amendments to simplify the workings of the Faculty system. Alongside approval of legal changes, a new online faculty application system has been prepared, piloted and is being rolled out to dioceses. For the first time a church heritage database of all of the Church of England's cathedrals and church buildings can be accessed online with a link to Historic England's listing description and, where appropriate, to the buildings at risk description

£20m Cathedral grants: bit.ly/1ESX2Ah

Roof repair grants: bit.ly/1FTdkub

English Heritage at Risk Register: bit.ly/1Eu0umK

Church Heritage Record: www.facultyonline.churchofengland.org/churches

Cathedrals and Church Buildings Division: www.churchcare.co.uk

COMMUNICATIONS



- The “Anglican Voices” project was launched in 2014 and saw the training of over 100 advocates to be voices for the work of the Church at a local level. Clergy and laity from across the country attended training sessions designed to enable them to speak up for the daily work of the church in their communities.
- The communications training programme provided professional, cost-effective courses across the church. 45 courses were run from Church House Westminster to over 300 delegates. Bespoke courses were delivered to dioceses and senior teams and 12 bishops received media training. The Communications office was also involved in co-ordinating and preparing a number of high profile events across the country including the announcement and consecration of the Bishop of Stockport (pictured, above). Three network training days and an annual conference for Diocesan Communication Officers were arranged providing a wide range of workshops, training and developments.
- The increasing digital focus of the Communications Office continued with new initiatives and building on established work. A new digital gateway was launched for Diocesan Communication officers. #EasterMeans and #ChristmasMeans campaigns on twitter reached over 30 million people and were shortlisted for national awards. A new weekly podcast was launched on itunes alongside the communications office tumblr blog with both heavily promoting the work of the NCIs from climate change to education, buildings to vocations.
- Three meetings of General Synod were live streamed and tweeted, with both the debate and vote on the final approval of women in the episcopate trending nationally.
- Working with the Global Head of Social Innovation at Twitter the Communications office also launched the “@OurCofE” project telling the story of the Church of England through the eyes of its people, with people from across the church taking up the account every week to provide real-time glimpses into the workings of the church for followers across the world, 140 characters at a time.

Promoting spiritual and numerical growth

The Council continues to promote spiritual and numerical growth with a particular focus in 2014 on the work and launch of the Archbishops' Council Task Groups focusing on church growth strategy.

“In obedience to the commission that Jesus gave to his disciples the Church’s vocation is to proclaim the good news afresh in each generation. As disciples of our Risen Lord we are called to be loyal to the inheritance of faith which we have received and open to God’s Spirit so that we can be constantly renewed and reformed for the task entrusted to us.”

-Archbishops of Canterbury and York, introducing the *Reform and Renewal* agenda

Read the first paper from the Archbishops of Canterbury and York in full:

www.cofecomms.tumblr.com/post/107894352727/in-each-generation-a-programme-for-reform-and

The challenge and desire to grow the church is the overall strategic objective for the work

of the task groups, and will be at the heart of the programme of work emerging from them. In addition, the further allocation of strategic development funding, the work to support diocesan teams in devising mission and ministry plans, the next stage of the occasional offices project, the next stage for the Going for Growth programme for children and young people and the first outputs from the Archbishops' Evangelism Task Group will all contribute to this goal.

A more missional approach to the occasional offices through the Christenings and Funerals Project with the piloting of two new websites and resources:

www.churchofenglandchristenings.org/
www.churchofenglandfunerals.org/

The project is led by Revd Canon Dr Sandra Millar.

2014 also saw the continuing roll out of the popular Pilgrim Discipleship course from Church House Publishing, CHP, now being published internationally. www.pilgrimcourse.org

As a major partner in the ecumenical HOPE 2014 programme, The Mission and Public Affairs team helped initiate and run 32 mission academies, training 750 young people in Mission and Evangelism in their local areas. In 67% of areas where a HOPE 2014 initiative took place, a Church of England church was involved. The Archbishops' Council also continued to support the Fresh Expressions movement which (as shown in *From Anecdote to Evidence*) is a source of significant growth.



Resourcing the future:

“We started with all the research findings contained in the *Anecdote to Evidence* book published a year ago. That pointed to a declining and ageing Church of England population. Projecting the findings forward made us see the real threat to the presence of our Church, not only in every community but in large parts of rural and urban England.

Each of us has a personal Christian mission to help the Word of the Risen Christ reach out. In other words, we need to change this trend and start securing growth – not just in some places as at present, but with a more uniform pattern across the country.”

Read the full blog and watch the video from John Spence, Chair of the Resourcing the Future Task Group:

www.cofecomms.tumblr.com/post/108248611862/resourcing-the-future

Reform and Renewal: a guide to the debates

“As the Archbishops said in their paper to the Synod, the challenge of reform and renewal is spiritual. We shall ultimately be building on sand unless what we do is underpinned by prayer and an unshakable confidence in God, who is able to do immeasurably more than all we can ask or conceive. “

Read the full article (written for the Church Times) by William Fittall, Secretary General of the General Synod:

www.cofecomms.tumblr.com/post/117780432712/reform-and-renewal-a-guide-to-the-debate

Seeking to re-imagine, reshape and re-energise lay and ordained ministry

The Council continues to focus on its strategic objective around lay and ordained ministry; serving parishes and workplace sectors across the Church of England, through the work of the Ministry Division and the new Resourcing Ministerial Education task group.

Efforts to increase younger vocations (under-30s) continues to be successful with 2013 figures (published in 2014) being the highest in the past 20 years with the trend looking set to continue. Young ordinands now represent 24% of those entering training. Nevertheless, overall ordinand numbers have been down over the past three years, with 6% fewer recommended in 2013-14 compared with 2012-13. This is primarily because of a significant reduction in self-supporting candidates in their 40s and 50s.

The Resourcing Ministerial Education (RME) task group was the focus for the second part of the year. This is a review of much that is done nationally to support selection, training and ministerial development as part of the Council's strategic drive to take a fresh look at lay and ordained ministry.

The Bishop of Sheffield, Steven Croft, chair of the RME task group: "Increasing the number of

candidates will mean increasing the total resource available and investing it in different ways. We've set out twelve proposals for change and the publication of the papers for Synod marks the beginning of a process of consultation about the proposals before they are refined into formal recommendations."

The next stage is to refine the work on financial proposals and to clarify how to develop lay leadership and ministry in line with what the dioceses say they need. (Video and blog from the Bishop of Sheffield: bit.ly/1AuTbJY)

In May the Archbishops' Council received a wide-ranging report on what the dioceses were currently doing to support the development of lay ministry and discipleship. It identified many examples of good work but against a background of low levels of resourcing and strategic planning to develop this vital area for the church's future, as well as a tendency to "clericalise" rather than develop a truly lay identity. As a result of the report, further work on developing discipleship is planned, stimulated by a paper from the Bishop of Sheffield to be considered by the General Synod.

Ministry Division continues to work with others towards increased diversity among candidates for

ministry. In cooperation with the Transformations network, research and guidance on good practice for encouraging the ministry of women were produced to support the bishops and dioceses in creating more opportunities for women in ministry. In cooperation with the Committee for Minority Ethnic Anglican Concerns, vocations events were held in two dioceses where the response among young people was highly positive.

The introduction of Common Awards in partnership with Durham University, has moved the theological education awards are available for the education of lay ministers and twenty dioceses now use them for training Readers and Licensed Lay Ministers. In 2014 the Virtual Learning Environment associated with the Common Awards was launched and its wider use in lay education and for continuing ministerial education is now being considered. More on the Common Awards can be found here: bit.ly/1aocgnu

The overarching challenge is to deliver the (still developing) programme emerging from the Resourcing Ministerial Education task group, especially the renewed emphasis on lay leadership and discipleship.

Ministry Experience Scheme for Young People.

Giving young people a taste of life behind the dog collar by taking part in the Church of England Ministry Experience Scheme continues to be popular after its launch at the end of 2013. Projects are now being run at different areas around the country. All schemes offer theological reflection alongside practical experience. For more information: www.callwaiting.org.uk/cemes

‘A Christian approach to disability’

The Church of England’s National Disability Adviser Roy McCloughry, who is on the staff of Ministry Division and also vice president of Livability, is working to encourage access for disabled people to leadership and ministry. He wrote a challenging article in the Church Times about attitudes to disability, particularly within the Church. “Over the past few years, the network Churches For All, which represents a number of Christian disability organisations, has used the phrase “Enabling Church”. It is the “enabling” that is so vital to a Christian approach to disability,” he concludes. The article has been reproduced on the Church of England website: bit.ly/1zhmrir

From the frontline: one young ordinand shares her story

The number of young people under-30 being accepted for ordination has reached a 25 year high, now making up a quarter of all people recommended to train to become priests. Read Kim’s story:

www.cofecomms.tumblr.com/post/113426392402/from-the-frontline-one-young-ordinand-shares-her



Strengthening Institutional Effectiveness

LEGISLATION & GOVERNANCE

A key area of governance for the Archbishops' Council has been the production and oversight of national safeguarding policy and practice guidance for the dioceses. 2014 saw the launch of a national safeguarding business plan which sought to begin the implementation of many of the proposals made by the Chichester Commissaries in 2013. This programme included a range of policy and practice guidance which was developed and discussed with dioceses during 2014. Work has begun on developing a Safeguarding Quality Assurance process for all dioceses, which will be piloted in 2015. A major piece of Safeguarding Legislation completed the Revision Committee Stage in General Synod in 2014 prior to further progress in 2015. In addition to these demands, the changing public context for safeguarding has necessitated the need to review staffing at a national level.

The Council continued to engage where necessary with the Government's legislative programme. This included the complex advisory work by the Legal Office in relation to the implementation of the Same Sex Marriage, Lobbying and Immigration Acts.

The need to conduct a review of the Commissioners' decision in relation to the Wells See House posed a new and unexpected challenge that was also managed effectively with the assistance of Council staff and resources.

The work to overhaul and simplify the faculty system through new rules, a new measure and the introduction of an online faculty application process and national church buildings database (substantially funded by English Heritage) has made significant progress. Trials of the new Online Faculty system successfully started in December. Active management of casework and new guidance on referrals has

helped to continue the reduction in faculty casework considered centrally.

Both the Simplification and Optimising the Role of the NCI task groups have made major proposals which, if accepted will involve the preparation of fresh legislation and some changes to governance arrangements.

"The Simplification Group recognises that a programme for change runs the risk of being time-consuming, intricate and at times controversial. There will need to be a balance between the rights and duties that legislation is framed to protect and the need to make a missional difference in the life of our dioceses and parishes. Identify the essential – what makes for good governance, proper legality and a clear process? Eliminate the rest. If we're given a mandate, there's plenty more to do, and we'll be asking parishes for their take on an agenda for the next five

years. For the sake of the gospel, mission and the Kingdom of God in Jesus Christ.”

Read the full blog and watch the video from Bishop of Willesden, Pete Broadbent, chair of the Simplification Task Group:
www.cofecomms.tumblr.com/post/108075105662/simplicity-itself

The parish giving scheme remains a successful example of assisting dioceses with good stewardship of resources. Further assistance has been given by the Council to dioceses in 2014 with the development of comparative financial indicators for dioceses and expansion of the procurement scheme, both of which have been well-received. Delivering the legislation to enable dioceses to adopt a total return approach to their stipend funds will be an important part of increasing the church’s financial resilience.

The Council's plans for 2015

Business plans for 2015 from the Council's divisions continue to demonstrate an overall objective of taking forward the mission of the church focusing on the strategic objectives around the Common Good, church growth and developing leadership.

Context

The General Election and the ongoing work of the task groups will all impact on the implementation of 2015 plans. In the past five years a significant amount of Council work has been driven by government initiated changes. Two examples are the Common Awards, triggered by changes to the higher education funding system and the work done around the legislation to introduce same sex marriage. There will also be a new General Synod (to be inaugurated November 2015).

- The ongoing work of the Reform and Renewal task groups focusing on church growth strategy: Resourcing the Future, Resourcing Ministerial Education, Simplification, Leadership and Evangelism.
- Contributing to the Common Good through the pastoral letter from the House of Bishops in relation to the general election campaign, particularly supported by the work of the MPA Division and Communications Office of the Council. A short study guide for parishes has been produced to support input into local hustings.
- Continuing work by the Archbishop of Canterbury's task group on responsible credit and lending, supported by MPA, including the creation of a debt signposting initiative to enable churches, individuals and community organisations to discuss debt and signpost to suitable debt advice.
- Developing resources on responsible finance and credit for parishes and individuals through the MPA-led website: www.toyourcredit.org.uk/resources/
- The new environment group, chaired by the Bishop of Salisbury, and supported by the Council's Cathedral and Church Buildings (CCB) and MPA divisions will lead on the Church's input to the UN Conference on Climate Change in Paris at the end of the year.
- Piloting of the Christianity project available for all schools and piloting of a new formal partnership for

the training and development of people working in the Church's education network.

- Publication of the remaining instalments of the Church House Publishing "Pilgrim" discipleship programme.
- A review of all the work undertaken across the various National Church Institutions in support of the Church of England's stewardship of church buildings.
- Continuing work on the online faculty system which was successfully started in December 2014.
- Continuing support of bishops in the House of Lords, contributing to national debates, through the work of the Parliamentary Unit based in the MPA Division.
- The Parliamentary Unit will work to enable the Lords Spiritual to build constructive relationships with the new government following the General Election in May.
- Rolling out of further missional work by the Archbishops' Council Funerals and Christenings Project including a National Funerals Conference for all dioceses.
- In partnership with mission agencies, 75,000 "Chatterbox" tools will be given to young people to facilitate local mission and evangelism projects. Partnership between the Church of England and the major mission agencies working with young people in

England. Aim for 3,000 young people to use this tool in 2015.

- MPA (in partnership with HOPE and the Evangelical Alliance) will complete and publish new research on people's perceptions of Jesus, their experiences of evangelism and Christians' willingness to evangelise.
- Appointment of Head of Discipleship and Vocation (new post) as part of a restructure of the work of the Ministry Division.
- Further nationally led safeguarding work, including developing a Safeguarding Quality Assurance process for all dioceses, to be piloted in 2015. This follows Graham Tilby taking up the full time role of national safeguarding adviser.
- Key outputs for the ministry team include running 45 bishops advisory panels to a high standard, increasing the number of participating dioceses in the ministry experience scheme for interns, securing an increase in the overall number of vocations and producing research based good practice to enable dioceses to increase the number of women candidates for ordination under 30.

Resources:

Overview

One of the Council's objectives is to bring together policy and resources at national level, to ensure good stewardship, transparency and effective and efficient use. It reviews all areas of its work and costs regularly with the aim of improving its service to the wider Church wherever possible. Under the terms of the National Institutions Measure 1998, the Council distributes grants received annually from the Church Commissioners. The two main funding streams are mission and ministry grants for low income dioceses and mission funding. In 2014 this funding amounted to £40.6 million (2013: £41.2 million). See *Use of Resources*.

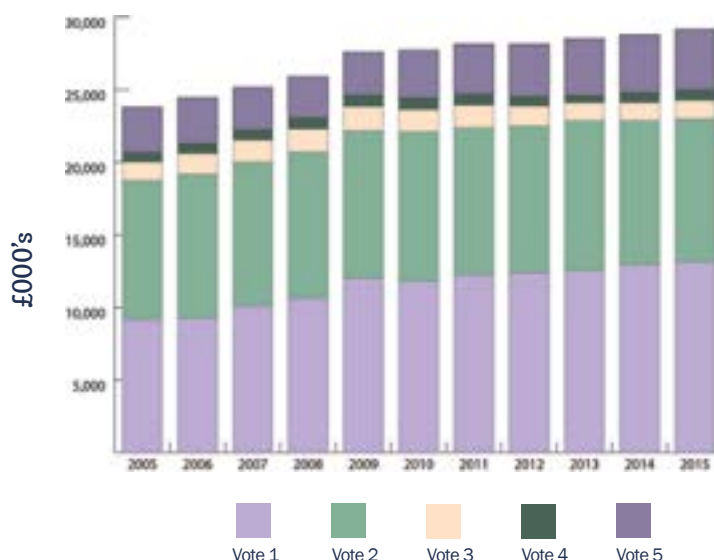
It also requests voluntary contributions from the dioceses of the Church of England (known as 'the apportionment') using a formula which takes diocesan resources into account. An arrangement is in place to ensure that no diocese in any one year is asked for an increase that is more than a fixed amount (currently set at two percentage points) above the overall change in the apportionment. In 2014 these voluntary contributions amounted to £28.8 million, 0.9% more than the 2013 level of £28.5 million. The Council is grateful that all dioceses paid their apportionment in full in 2014, as in all recent years.

The funds are requested for five main purposes, called 'Votes'. The General Synod is required under the terms of the National Institutions Measure 1998 to approve the Council's budget and it votes separately on each of the following five areas:

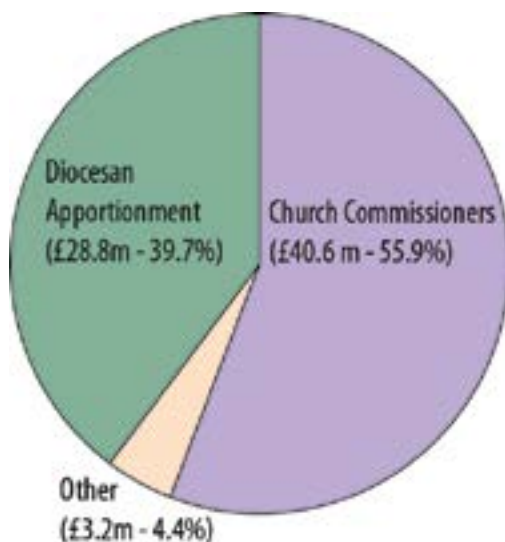
1. Training for Ministry (Vote 1)
2. National Church Responsibilities (Vote 2)
3. Grants (Vote 3)
4. Mission Agencies pension contributions (Vote 4)
5. Clergy Retirement Housing subsidy (Vote 5).

The sums received from dioceses for each Vote since the introduction of Vote 5 in 2005 are shown in the chart below. Over the period there has been a marked change in the balance between the areas of expenditure. At the start of the period, Vote 2 was the largest at 40.2%. But since 2007 Training for Ministry has been the largest area of expenditure and in 2014 this represented 45.1% of the funds received from the dioceses, compared with 34.4% for Vote 2. The sum received from dioceses in 2014 was 3.9% more than in 2010 compared with an increase in RPI inflation of 13.2% over the same period. Within this sum the sums received for Training for Ministry and Clergy Retirement Housing rose (by 9.9% and 21.5% respectively) and the sums for other purposes were reduced.

**Diocesan Contributions by Vote
2005 - 2014**



Incoming resources



Analysis of 2014 incoming resources of £72.6 million

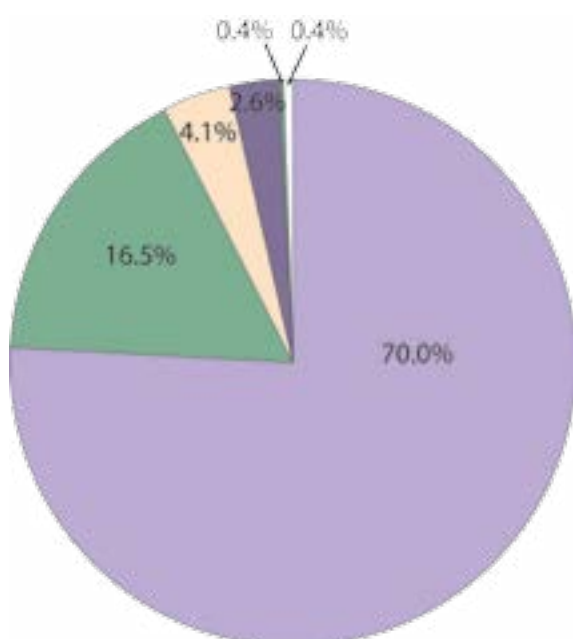
The Council's incoming resources in 2014 were £72.6 million, 0.9% below the 2013 level of £73.2 million.

The Council's two main income streams – voluntary contributions from dioceses and grants from the Church Commissioners – accounted for 95.6% (2013: 95.2%) of incoming resources.

Use of resources

In 2014 resources expended by the Council totalled £75.3 million (2013: £74.3 million). Net outgoing resources were £2.7 million in 2014 (2013: £1.0 million) as reserves and restricted and designated funds were used, as planned, in line with the purposes to enable activity to be achieved without further calls on dioceses for funding. In 2015 the Council's financial position will be helped by the waiver of rent granted by the Corporation of Church House, for which it is grateful.

The greatest proportion of the Council's expenditure in 2014 was in relation to selecting and resourcing for public ministry and enhancing mission. These represented 76.0% (2013: 74.9%) and 16.5% (2013: 16.4%) respectively of the total resources expended by the Council.



2014 resources expended (£75.3m) by activity

- Selecting and resourcing for public ministry (£57.3m)
- Enhancing mission (£12.4m)
- Development of Church buildings for worship (£3.1m)
- Advancing Education and lay discipleship (£2.0m)
- Church House Publishing (£0.3m)
- Governance (£0.3m)

MINISTRY FUNDING

There are two main grant streams for selecting for and resourcing public ministry:

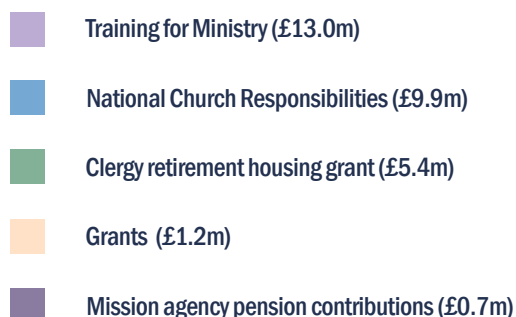
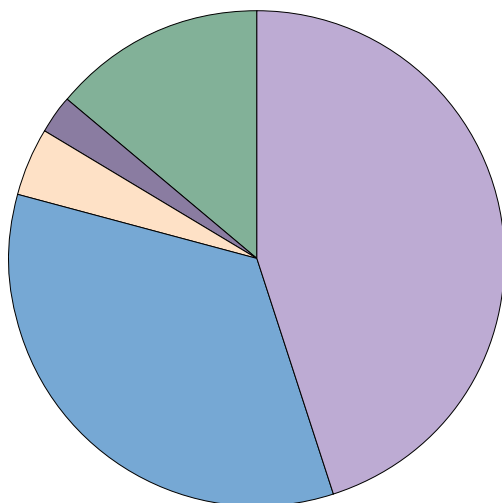
- **Ministry support grants**

to low income dioceses (from funds made available to the Council by the Church Commissioners for distribution). In 2014 grants totalling £34.4 million (2013: £34.4 million) were made to the 25 (2013: 28) dioceses calculated as having below average resources per stipendiary minister, taking into account church attendance, local personal incomes and diocesan and parish investment income. 15 of these dioceses received more than £1 million from this source in 2014. Dioceses use these grants to help fund parish mission and ministry in the parishes where financial support is most needed.

- **Training for Ministry**

(from the Council's budget and collected via the apportionment). In 2014 grants totalling £13.3 million (2013: £12.3 million) were provided for training for ordained ministry. This included payments to the training institutions that provide approved residential, non-residential and context-based training based on the number of ordinands in training at each institution, grants to support those individuals undertaking training and university validation fees.

Analysis of diocesan contributions



Other grant expenditure funded via the apportionment under Votes 3, 4 & 5 included:

- Grants towards the work of the Anglican Communion Office, national and international ecumenical agencies (including Churches Together in England, the Conference of European Churches and the World Council of Churches) and the Church Urban Fund.
- Grants that fund the pension contributions of those clergy employed by qualifying mission agencies.
- Grants towards the subsidy required for the Clergy Retirement Housing scheme administered by the Church of England Pensions Board.

In 2011 to 2013 the Council worked with the Church Commissioners on the distribution of £12 million earmarked for research and development to help the Church understand better which of its parts are growing and why and to seek to develop that growth. Further details can be found in the Commissioners' annual report in whose accounts this expenditure is recorded.

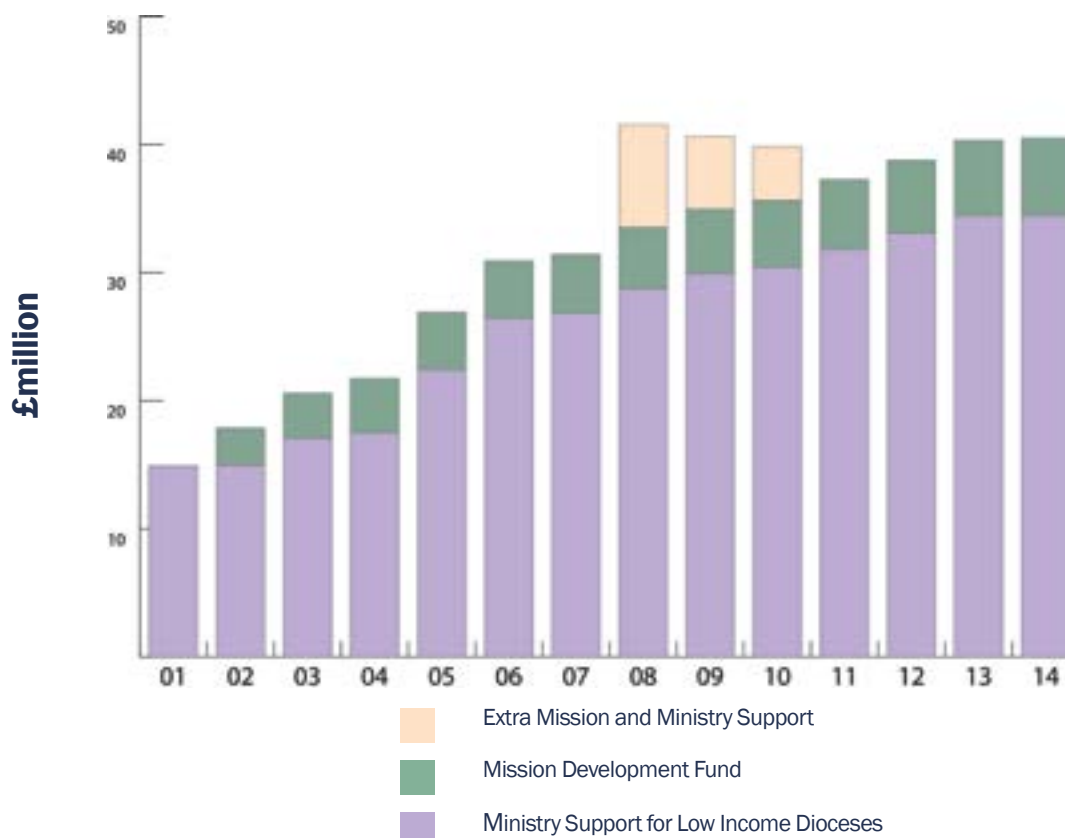
MISSION FUNDING

In 2014, the Council distributed a total of £6.0 million (2013: £5.9 million) between all dioceses under the mission development funding stream. Following the coming into force of the Diocese in Europe Measure 2013, the Diocese in Europe received a grant for the first time. Each year dioceses provide details of how this money has been spent to demonstrate accountability and transparency and also to facilitate sharing of information and learning between them.

Given the purposes for which the funding is provided, the Council is keen to ensure that it is spent. To that end, the Council seeks information from those dioceses which appear to have a significant sum of unspent grant. It did so in 2014 and was reassured to learn that the majority of the unspent funds had been allocated or that there was a process in hand for their use.

The graph (below) shows the level of parish mission and ministry support grants the Council has distributed to dioceses since 2001 (the figures exclude payments made directly to parish clergy by the Church Commissioners). In 2014 the amount distributed as ministry support for poorer dioceses was more than double the amount distributed ten years previously, representing an increase of 7.0% p.a. The average annualised growth for mission funding has been 6.3% p.a. since 2002 when the scheme was introduced.

Total Grants to Dioceses for Parish Mission and Ministry Support by Type



Grant Support

The Archbishops' Council with the Church Commissioners distributed £46.0 million of parish ministry and mission grants. This funding included £34.3 million which the Council distributed in block grants to low income dioceses. Dioceses usually use this funding to support clergy stipends, targeting it on those parishes least able to meet their ministry costs. £6.0 million of mission funding was distributed to all dioceses to invest in new mission opportunities.

The first tranche of the £15m Strategic Development funding, earmarked in 2014-16 to support major growth and change projects in dioceses (and to which they have added a further £3.5 million from funding set aside in 2011-13 for research and development) was allocated in 2014. These grants are paid by the Church Commissioners to dioceses. Five dioceses - Birmingham, Chelmsford, Leicester, Liverpool and Sheffield - were awarded funding totalling £4.6 million.

Full details of these grants and other projects can be found in the Church Commissioners annual report and review: www.churchofengland.org/about-us/structure/churchcommissioners/annual-reports.aspx



www.leicester.anglican.org/shaped-by-god/fresh-expressions-of-church/

Strategic Development Funding for Leicester Diocese

Leicester diocese has been awarded £809,000 of Strategic Development Funding over five years as part of a £2.1 million project to expand the diocese's well-established strategy of developing Pioneer Ministry and fresh expressions of Church. Central to the project is the appointment of three Pioneer Development Workers (photo: from left to right) Jonathan Dowman, Matt Pitt and Mads Morgan to discern, enable, train, accompany and coach lay volunteer teams of licensed Pioneers.

Pioneering work in areas of new housing

Rachel Hepburn is the community link worker at St Michael's, Stoke Gifford in Bristol Diocese, and is funded by a grant for mission in new housing and other development areas. Rachel took up the role in early 2014 and is already embedded in the local community, living on the Cheswick new housing estate and making vital links. Pioneer curate the Revd Jimmy Rocks said it was the grant that put the final jigsaw piece in place in the church's community outreach as the estate is partly separated by an A Road with few community facilities. "As a team we had prayed about how we could do more in this new housing area. It was unrealistic to expect people to come to the existing church building, we needed to go out to them." Rachel and Jimmy and team are meeting the community need by running lots of events, along with an Alpha group and informal Sunday worship. By the end of her three-year funding Rachel is planning to make the projects sustainable and run by local people.



Use of legacies

The priority under the Council's legacies policy is for unrestricted legacies to support new, time-limited, mission initiatives. In addition, the Council has agreed that legacy funding may be used, where necessary, to support ordination training and retired clergy. The Council decides this expenditure on a case-by-case basis.

In 2014 the Council used some of the unrestricted legacy money to support projects which aim to enhance the Church of England's national ministry around birth and death.

Comment by the trustees about going concern

The Council has identified no material uncertainties that cast significant doubt on its ability to continue as a going concern. In reaching this conclusion, it considered its role in funding the Church's mission and ministry, the record of dioceses in meeting the apportionment requested from them, its reserves policy for each area of expenditure and the level of each of those reserves, the existence of certain restricted funds and, since the year end, confirmation from the Church Commissioners that, in 2015, the expected monies will be made available for distribution. The Council has concluded that it has a reasonable expectation that it will have adequate resources and cash flows to meet its spending commitments for the foreseeable future.

Reserves policy

The Council holds reserve funds for each of its five areas of expenditure to enable it to meet its obligations and commitments which span more than one accounting period, to assist in cashflow management and to help reduce the risk of needing to ask dioceses for a substantial increase in apportionment funding in any one year. In 2014 the Council reaffirmed its reserves policy to hold between one and a half and three months net monthly expenditure as reserves for each of its five Votes (this excludes designated funds). Four of these Votes are held for specific purposes and one – Vote 2 – is unrestricted.

During 2014, it affirmed its medium term target levels for each Vote, agreeing that the target levels should be the mid point of the policy range for all Votes apart from Vote 5 where a higher level was deemed necessary in view of the higher likelihood of unexpected calls for additional financial support for the clergy retirement housing scheme.

At the end of 2014 the cash reserves for all Votes were within the policy ranges.

Investment policy and use of restricted funds

The Council's investment policy for its restricted funds – based on the planned distribution strategies for each – is summarised as follows:

For funds that are planned to be spent out within five years, the focus is on capital preservation with a target return of at least bank deposit rates. The ability to withdraw funds at relatively short notice is also imperative.

For settlements planned to be retained beyond five years, the Council's investment managers have been set an annualised long term target to achieve a total return of at least 3% above RPI after all costs. The Investments for such funds are held in two Common Investment Funds diversified between and within asset classes.

The Council's Investment Committee is responsible for reviewing and overseeing the management of the Council's investments and reports regularly to the Council and its Finance Committee. The Investment Committee regularly reviews performance of the Council's investments. In 2014 both its main investment managers gave a presentation at its two meetings. The aggregate total return from its investments held for settlements with a time horizon of beyond five years was 6.5% in 2014 (2013: 14.8%) compared with the long term target of 4.6% (5.7%).

The Council's cash resources are held in its current account or in the Central Board of Finance

Church of England Deposit Fund (although its Treasury Management Policy, which is reviewed annually, does permit investment with certain other specified institutions). The Council's average return on its cash holdings in 2014 was 0.5% (2013: 0.5%).

The Council also acts as custodian trustee for several funds. At the end of 2014 the assets of these funds, which are held in investments and cash separately from those of the Council, were valued at £3.0 million (end 2013: £3.1 million).

Ethical Investment

The Archbishops' Council participates in the work of the Church's Ethical Investment Advisory Group (EIAG), which develops and co-ordinates ethical investment policy on behalf of the three main central Church investment bodies. Its membership includes members of the Council and its Mission and Public Affairs Council. The EIAG makes policy recommendations based on thorough research, but responsibility for whether and how these are implemented rests

with each investing body. The EIAG publishes an annual report of its work which is available, together with other related publications including its sector based policies, on the Church of England website. The Council belongs to the ecumenical Church Investors Group.

The Common Investment Funds in which the Council invests have ethical investment policies. The Council complies with the EIAG's guidance on pooled funds, which was updated in 2014, and the Council and its Investment Committee regularly monitor compliance with this policy.

Public Benefit

The Archbishops' Council has an enabling role in support of the ministry of the Church of England which, through its 13,000 parishes and the dioceses and through other means, seeks to provide spiritual care for all people in England.

In particular:

- the Church of England is a focus for community activity in 13,000 parishes and 16,000 church buildings and, through

the resources at its disposal, provides activities that support community development and social cohesion. Typically this includes projects that support children, families and the elderly through clubs, social gatherings and outreach activities;

- the Church of England provides education in the Christian faith and encourages personal and spiritual growth and wellbeing;
- through its engagement in local communities and public debate the Church of England promotes values that it believes are beneficial to society as a whole;
- through its network of schools and academies, the Church of England provides an education for around 20% of children of primary school age and 8% of young people of secondary school age that is rooted in Christian values and available to families of all faiths and none.

The Council has had regard to the requirements of the Charities Act 2011 and published advice issued by the Charity Commission in relation to public benefit.

✠ **Justin Cantuar:**

✠ **Sentamu Ebor:**

Joint Presidents

Church House
Westminster SW1P 3AZ

22 May 2015

Structure and accountability

Compliance

The work of the Council and its supporting bodies is underpinned by openness to God, worship, service, and a desire to promote growth, partnership, unity, integrity and transparency. The Council carries out its work in compliance with relevant legislation and best practice. In carrying out its work, the Council aims to maintain and support a skilled and motivated staff and to ensure effective systems of organisation and governance.

Governance

In 2014, the Council continued its pattern of two 24-hour residential meetings and two one-day meetings. This continues to demand critical consideration of the Council's agendas to ensure more efficient use of the Council's time.

The Council continues to review how it goes about its business. The Council has agreed new patterns of working in relation to reporting, business planning and risk management and is undertaking further work in some other areas.

It is also in the process of reviewing the constitutions and reporting arrangements for its Boards, Councils and Committees (see below). The last such exercise in 2009-10 reduced the membership of these bodies by a third overall. The changes introduced then are still settling down, so the current review is focussing only on necessary minor adjustments. The one exception is the Board of Education, which the Council agreed should be wound up in consequence of a new operating agreement reached between the Council and the National Society.

Alongside the work of the Spending Plans Task Group (a joint body with the Church Commissioners to determine how the money the Church Commissioners make available to the Council for distribution to the dioceses in the period 2014-16 should be allocated), the Council has also received reviews of the totality of resources available to it and of its provision in relation to ministerial education. The Council is rolling out a programme of consultation on the reports with dioceses and other stakeholders.

Boards, Councils and Committees of the Archbishops' Council

The following bodies undertake work as committees of the Archbishops' Council:

- *Audit Committee of the Archbishops' Council (chair: Mary Chapman)
- Board of Education (chair: the Bishop of Oxford)
- Committee for the Ministry of and among Deaf and Disabled People (chair: the Bishop of Salisbury)
- Committee for Minority Ethnic Anglican Concerns (chair: the Venerable Daniel Kajumba)
- Council for Christian Unity (chair: the Bishop of Peterborough)
- Remuneration and Conditions of Service Committee (chair: the Bishop of Manchester)
- *Finance Committee (chair: Canon John Spence)
- *Ministry Council (chair: the Bishop of Sheffield)
- *Mission and Public Affairs Council (chair: Philip Fletcher)

*the chair of the bodies marked with an asterisk must be a member of the Archbishops' Council

Key working relationships

The Archbishops' Council works in close partnership with the other National Church Institutions (NCIs): the Church Commissioners, the Church of England Pensions Board, the offices of the Archbishops of Canterbury and York, the National Society and Lambeth Palace Library. During the year the Council agreed, together with the Church Commissioners and Church of England Pensions Board, to form Church of England Central Services (ChECS). This new National Church Institution (NCI) will facilitate the provision of cost-effective shared financial, legal and other services to the NCIs and provide payroll and other services to dioceses and other charities with a Church ethos. The directors of ChECS are the Chair of the Council's Finance Committee, the First Church Estates Commissioner and the Chair of the Pensions Board.

Key working relationships with other Church bodies include:

Church Commissioners

Under the terms of the National Institutions Measure 1998, the Council and the Commissioners work closely to develop spending plans, reflecting Council's priorities for the coming period. The Council receives reports annually on the uses to which that funding has put to enable it to confirm to the Church Commissioners that the money has been used for the purposes for which it was given.

General Synod

The Council is not a body of the General Synod, but a statutory body established under the National Church Institutions Measure 1998. All of its members are either drawn from the General Synod or become members of the General Synod through their appointment to the Archbishops' Council.

This helps to ensure that there is a close relationship between the Council and the Synod, not least because the Council and its committees undertake work on behalf of the Synod and report to the Synod on that and other work as it progresses and on completion.

Members of the General Synod may ask questions of the Council and its committees when the General Synod meets and the General Synod approves the Council's annual budget and receives the Council's annual report.

The Archbishops' Council and the General Synod have a number of other committees, commissions and similar bodies that report to them. Details are available in a number of publications, including the Church of England Year Book, or on request.

Dioceses

The Archbishops' Council is largely funded by the dioceses of the Church of England (see p.20). This gives the Council a responsibility to demonstrate that the money it receives is spent effectively and to work on behalf of the dioceses to provide a central source of advice, a resource for the development of policy and legislation and a focus of engagement with government and other agencies on behalf of the Church.

The Council also distributes to the dioceses a significant sum of money received from the Church Commissioners under the terms of the National Institutions Measure 1998 to support mission and ministry in the dioceses (see p.23).

Trustee recruitment, appointment and induction

Members of the Archbishops' Council have responsibilities as trustees. They hold office in a variety of ways: ex officio (the two Archbishops; the First Church Estates Commissioner; the Chair and Vice-Chair of the House of Laity; and the two Prolocutors); elected (two members each of the Houses of Bishops, Clergy and Laity of the General Synod); or appointed (by the Archbishops with the approval of the General Synod after an extensive public recruitment process).

See p.33 for list of members.

All new members of the Council receive a handbook setting out basic details about the Council and their responsibilities as trustees. Both new and existing members have the opportunity to meet head of department and other staff for briefing on the organisation as a whole, on particular areas of work and on their responsibilities as members of the Archbishops' Council.

Members also have the opportunity to learn about the Council and contribute to its development at close hand as members of committees and working parties looking into specific areas of the Council's work and operation.

Trustee responsibilities in relation to the financial statements

As trustees, members of the Archbishops' Council are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Archbishops' Council to prepare financial statements each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles of the Charities Statement of Recommended Practice (SORP)
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements
- make judgements and estimates that are reasonable and prudent
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

They are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the National Institutions Measure 1998. They are also responsible for safeguarding the assets of the Archbishops' Council and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk Management

The Archbishops' Council's risk management policy defines the approach to risk management and outlines the roles and responsibilities of members, management and staff. The Council reviews the operational risk registers and risk management arrangements of the Archbishops' Council at least annually. The Council is supported by the Audit Committee, which regularly reviews the content of the risk registers and seeks assurance over the adequacy of arrangements in place to manage the risks.

Departments and risk owners are responsible for the identification, assessment and review of risks to the achievement of their objectives. Risks are prioritised using an agreed scoring methodology and are assessed at an inherent and residual level. The risk management process is facilitated and monitored by the Audit and Risk function. The management of key risks are subject to independent review and assurance by the internal audit department, which reports to the Audit Committee.

Principal Risks.

The principal areas of risk for the Archbishops' Council, as agreed by the trustees, are:

Risk Area	Summary of actions and plans to mitigate the risks
Ministry Education and recruitment – Failure to secure sufficient number and quality of ministers, clergy and lay, to enable Dioceses to deliver their mission aims.	Development of programmes in consultation with dioceses and theological training institutions in light of Resourcing Ministerial Education report. Preparation of proposals for additional funding to deliver a significant increase in number of vocations. Training, guidance and advice for dioceses to encourage innovation and good practice in the identification and selection of potential candidates. Common awards arrangements to ensure consistency and quality of ministerial training and education. Church of England Ministry Experience Scheme to encourage younger people to be involved in ministry.
Safeguarding issues – Failure to secure the effective implementation of robust and appropriate safeguarding processes	Significant resourcing and development of the national safeguarding capability. Development of updated policies and procedures on the handling of incidents and responding to the needs of survivors. Roll out of good practice and training to Dioceses and other Church institutions. Legislative change to improve accountability and facilitate action. Development of processes to review the adequacy of arrangements in place across dioceses.
Funding – Inability to sustain key Council objectives as a result of resourcing difficulties.	Monitoring of diocesan financial performance. Trustee and senior management oversight of budget setting and monitoring, to control expenditure and target resources. Exploration of possible alternative financial models or supplementary sources of funding from 2017.

<p>Legislation and public policy – Additional burdens and reduced opportunities for pursuing Council objectives as a consequence of changes in public policy.</p>	<p>Development of relationships with relevant government departments and non-government agencies. Monitoring of potential and proposed legislation. Parliamentary Unit support for work undertaken in the House of Commons and House of Lords</p>
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As the national church institution whose object is to “co-ordinate, promote, aid and further the work and mission of the Church of England,” the Council also devotes time at least twice a year to consider and assess wider challenges and risks facing the Church of England more generally.

Staff

The Joint Employment and Common Services Board (JECSB) was established specifically to take responsibility for the joint employment relationship between the National Church Institutions and to oversee shared services. It exercises powers delegated to it by each of the NCIs. The First Church Estates Commissioner, the Chair of the Church of England Pensions Board and the Chair of the Archbishops’ Council’s Finance Committee (who chairs the JECSB) represent the three largest NCIs at member level. The Chief Officers of the three largest NCIs (the Church Commissioners, the Church of England Pensions Board and the Archbishops’ Council) also attend its meetings.

The JECSB has one sub-committee – the Remuneration Committee – which sets senior pay levels and mandates the management side of the Joint Staff Council for negotiations and consultations with the trade unions.

Almost all staff are employed jointly by the NCIs, but managed by one of them. The average number of staff for whom the Council was the managing employer during 2014 was 104 (2013: 125), approximately half men and half women.

The reduction in staff numbers between 2013 and 2014 is a result of the transfer of staff from the Archbishops’ Council as their managing employer to the Church of England Central Services on 1 April 2014.

12% of the staff were from a UK minority ethnic background (2013: 12%).
1.92% have declared a disability.

Staff Remuneration and Executive Pay

All the staff of the Archbishops' Council are covered by a unified pay policy that operates across all the National Church Institutions. The policy is designed to ensure the same level of pay for all staff in posts with work of equal value which is based on a comprehensive job evaluation scheme, with staff being placed in one of eight 'bands'. For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market related salaries and is subject to annual review. The NCIs retain the services of AON Hewitt to advise on market rates. Staff pay is reviewed annually and any increases as a result of the annual pay negotiations are awarded with effect from 1 January each year. No staff member employed by the Archbishops' Council earns less than the London Living Wage.

Certain senior roles, including that of the Chief Executives, sit outside the banding system, as the skill set required to fulfil the role is not readily measured within the NCI's standard job evaluation system. Salaries for these roles are set individually with reference to the wider market place, typically comparing to the charity and public sector market, and is overseen by the Remuneration Committee comprising senior trustees from each of the main NCIs. In general these staff can expect the same percentage annual uplift for cost of living as the rest of the staff enjoy (see further analysis below).

Pensions

All staff members are eligible to join the Church Administrators Pension Fund – those whose employment commenced before July 2006 accrue pension on a defined benefit basis, and those employed subsequently are part of the defined contribution section with employer contribution rates ranging from 8% to 18% depending on the age of the employee.

The amount paid to the highest member of staff is 8 (2013: 7) times the salary earned by the lowest paid member of staff and 4 (2013: 4) times the median salary.

Equal opportunities

The National Church Institutions are committed to equal opportunities in employment. They are a 'Two Ticks' employer.

The NCIs have agreed diversity targets in accordance with recommendations of the Stephen Lawrence follow-up report *Called to Act Justly*. The Equality for All Group monitors progress and is involved in designing initiatives to achieve the targets set.

Equality Advisers are in post to support staff who may feel harassed or bullied and there is an established complaints procedure for dealing with claims of discrimination. All staff are required to undergo training in equal opportunities awareness and all appointing managers must undertake 'fair selection' training before being permitted to interview for new staff.

Professional advisers

The Archbishops' Council advisers are listed on p.34. Their performance is critical to the effective operation of the Archbishops' Council as a charity and the Council has a policy of regularly reviewing all professional adviser appointments.

Administrative information

The Archbishops' Council is a charity registered under no. 1074857.

Membership of the Archbishops' Council from 1 January 2014 and up to the date of this report was as follows:

Joint Presidents

The Most Revd and Rt Hon Justin Welby, Archbishop of Canterbury	(4)
The Most Revd and Rt Hon Dr John Sentamu, Archbishop of York	(2)

Prolocutors of the Lower Houses of the Convocations of Canterbury and York (ex officio)

The Ven Christine Hardman (Canterbury)	(2)
The Ven Cherry Vann (York)	(3)

Officers of the House of Laity (ex officio)

Dr Philip Giddings (Chair, House of Laity)	(4)
Tim Hind (Vice-Chair, House of Laity)	(4)

Elected by the House of Bishops

The Rt Revd Dr Steven Croft	(4)
The Rt Revd Trevor Willmott	(4)

Elected by the House of Clergy

The Revd Canon Robert Cotton	(4)
The Revd Mark Ireland	(4)

Elected by the House of Laity

Paul Boyd-Lee	(4)
Christina Rees	(4)

Appointed by the Archbishops with the approval of the General Synod

Mary Chapman	(4)
Philip Fletcher	(4)
The Revd Dr Rosalyn Murphy	(3)
John Spence	(4)
Rebecca Swinson	(3)

A Church Estates Commissioner

Andreas Whittam Smith, First Church Estates Commissioner	(4)
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(The figures in brackets indicate the number of meetings each member attended in 2014; the Archbishops' Council met on four occasions during the year.)

Staff Directors of the Archbishops' Council

William Fittall, Secretary General to the Council and the General Synod
The Revd Janina Ainsworth, Chief Education Officer (until August 2014)
The Revd Arun Arora, Director of Communications
The Revd Dr Malcolm Brown, Director of Mission and Public Affairs
Hannah Foster, Director of Human Resources (from November 2014)
The Revd Nigel Genders, Chief Education Officer (from September 2014)
Janet Gough, Director of Cathedral and Church Buildings
The Ven Julian Hubbard, Director of Ministry
Su Morgan, Director of Human Resources (until April 2014)
Dr Jacqui Philips, Clerk to the Synod and Director, Central Secretariat
Stephen Slack, Head of the Legal Office and Chief Legal Adviser to the Archbishops' Council

Senior staff of Shared Services managed by other NCIs

Michael Cole, Director of Risk Management and Internal Audit
Declan Kelly, Director of Libraries, Archives and Information Services
Ian Theodoreson, Chief Finance Officer

Website

The website for the Church of England is at www.churchofengland.org

Offices and advisers

Registered office:	Church House, Great Smith Street, London SW1P 3AZ Tel: 020 7898 1000 Fax: 020 7898 1558
Investment managers:	CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London EC2V 4ET Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU Ruffer LLP, 80 Victoria Street, London SW1E 5JL
Bankers:	National Westminster Bank plc, City of London Office, 1 Princes Street, London EC2R 8BP
Solicitors:	The Legal Office of the National Church Institutions of the Church of England, Church House, Great Smith Street, London SW1P 3AZ
Auditors:	BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

Financial Statements

for the year ended 31 December 2014

Independent auditor's report

to the Trustees of The Archbishops' Council

We have audited the financial statements of The Archbishops' Council for the year ended 31 December 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2014, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Statutory Auditor
Gatwick
United Kingdom
Date: June 2015

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2014

	Notes	Unrestricted Funds (note 17) £000	Restricted Funds (note 18) £000	Total 2014 £000	2013 £000
INCOMING RESOURCES					
Voluntary income					
Church Commissioners		-	40,605	40,605	41,197
Diocesan contributions		9,897	18,904	28,801	28,531
Grants receivable	3	27	370	397	687
Other voluntary income	4	89	236	325	165
Incoming resources from charitable activities	5	2,283	58	2,341	2,513
Investment income	6	25	110	135	161
Total incoming resources		12,321	60,283	72,604	73,254
RESOURCES EXPENDED					
Charitable activities					
Enhancing mission	7(a)	4,116	8,326	12,442	12,183
Advancing education & lay discipleship	7(a)	1,824	132	1,956	2,218
Selecting & resourcing for public ministry	7(a)	4,520	52,742	57,262	55,669
Development of Church buildings for worship & service	7(a)	2,708	382	3,090	3,647
		13,168	61,582	74,750	73,717
Church House Publishing	7(b)	273	-	273	304
		13,441	61,582	75,023	74,021
Governance costs	8	287	-	287	274
Total resources expended		13,728	61,582	75,310	74,295
Net (outgoing)/incoming resources before exceptional items and transfers		(1,407)	(1,299)	(2,706)	(1,041)
Net transfers between funds	17,18	480	(480)	-	-
Net incoming/(outgoing) resources		(927)	(1,779)	(2,706)	(1,041)
Surpluses/(Deficits) on revaluation and realisation of assets					
Investments - Unrestricted		-	-	-	-
Restricted - Income Funds	12	-	8	8	13
Restricted - Expendable Endowment Funds	12	-	1,928	1,928	3,762
Restricted - Permanent Endowment Funds	12	-	77	77	197
NET MOVEMENTS IN FUNDS FOR THE YEAR		(927)	234	(693)	2,931
Total funds at 1 January	17,18	9,925	40,050	49,975	47,044
Total funds at 31 December	17,18	8,998	40,284	49,282	49,975

All the above results in the year are derived from continuing activities. All gains and losses recognised in the year and prior year are included above.

BALANCE SHEET
as at 31 December 2014

	Notes	2014 £000	2013 £000
FIXED ASSETS			
Investments	12	33,968	32,475
Properties	13	3,225	3,225
Other fixed assets	14	333	420
		37,526	36,120
CURRENT ASSETS			
Stocks		-	9
Debtors: amounts falling due within one year	15	1,933	1,857
Debtors: amounts falling due after more than one year	15	174	215
Short term deposits		10,138	11,988
Cash at bank and in hand		2,018	2,409
		14,263	16,478
CREDITORS: amounts falling due within one year	16	(2,507)	(2,623)
NET CURRENT ASSETS		11,756	13,855
NET ASSETS		49,282	49,975
ACCUMULATED FUNDS			
<u>Unrestricted Funds</u>			
- General	17	2,447	2,673
- Designated	17	6,551	7,252
		8,998	9,925
<u>Restricted Funds</u>			
Income funds	18	6,294	6,506
Expendable endowment funds	18	31,158	31,019
Permanent endowment funds	18	2,832	2,525
		49,282	49,975

The financial statements were approved by The Archbishops' Council on 22 May 2015
and signed on its behalf by:

The Most Reverend and Rt Hon Justin Welby, Archbishop of Canterbury

Chairman of the Finance Committee, Canon John Spence

CASH FLOW STATEMENT
for the year ended 31 December 2014

		Total	
	Notes	2014	2013
		£000	£000
Net cash inflow/(outflow) from operating activities	19	<u>(2,864)</u>	<u>175</u>
Returns on investment and servicing of finance			
Investment income		135	161
		<u>135</u>	<u>161</u>
Net cash inflow from returns on investment and servicing of finance		<u>135</u>	<u>161</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(32)	(95)
Purchase of fixed asset investments		-	(150)
Sale of fixed asset investments		520	657
		<u>488</u>	<u>412</u>
Net cash inflow/(outflow) from capital expenditure and financial investment		<u>488</u>	<u>412</u>
Management of liquid resources			
(Increase)/decrease in short term deposits	20	1,850	(2)
		<u>1,850</u>	<u>(2)</u>
Net cash inflow/(outflow) from management of liquid resources		<u>1,850</u>	<u>(2)</u>
Increase/(decrease) in cash in the year	21	<u><u>(391)</u></u>	<u><u>746</u></u>

1 Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and in accordance with the recommendations set out in the Statement of Recommended Practice 2005 'Accounting and Reporting by Charities' (the SORP), applicable United Kingdom accounting standards and the Charities Act 2011.

These financial statements comprise all the Council's designated and restricted funds, including the Church and Community Fund and trusts for which the Council is custodian trustee and has control) drawn up to 31 December each year.

The Council, together with the Church Commissioners and the Church of England Pensions Board are equal partners in Church of England Central Services (ChECS), a joint venture. The Council's interest in ChECS is not considered as the Council is not a group. Any balances owing to or from ChECS are recorded in debtors / creditors. Further detail is provided in note 11.

Unrestricted Funds – General

General Funds are funds of the Council which can be used for its general charitable objects to coordinate, promote, aid and further the work and mission of the Church of England.

Unrestricted Funds – Designated

Designated Funds are funds which the Council has earmarked for a particular purpose. There are no legally binding restrictions on them and the Council is free to redesignate these funds should this be appropriate. The purpose of each designated fund is disclosed in the Statement of Unrestricted Funds (note 17).

Restricted Funds

Restricted Funds are subject to specific conditions imposed by the donor, these conditions being legally binding upon the Council.

The Council has responsibility for a number of funds, which are disclosed in the Statement of Restricted Funds (note 18) and the Statement of Other Funds (note 25). Where the Council has control over the funds, including with regard to the application of their income to support the activities of the Council, these funds are shown as Restricted Funds in the financial statements (note 18). Where the Council acts as custodian trustee for funds which have trustees separate and independent from the Council, these funds are not included in the financial statements but are disclosed in the Statement of Other Funds (note 25).

Income Funds

Income funds are sums of money given for a specific purpose, which may be spent in their entirety on the specified purposes within a reasonable period. The duration of a 'reasonable' timescale will vary depending on the nature of the funds.

Expendable Endowment Funds

Expendable endowment restricted funds are sums of money which may be spent in their entirety on the specified purposes, but do not have to be spent on those purposes within a reasonable period. One such expendable endowment fund is held within the Church and Community Fund (note 18), for which there is absolute discretionary power to expend in accordance with its trust deed.

Permanent Endowment Funds

Permanent endowment restricted funds are created when a sum of money is received from a donor who specifies that it must not be spent as if it were income. Usually the donor will instruct that the sum of money must be invested, and the income generated must be spent on certain specified purposes.

Fund transfers

The Council makes transfers of surpluses arising within General Unrestricted Funds to specific Designated Funds. The Council makes transfers from Restricted Funds to Unrestricted Funds only where such restricted funds are being applied in accordance with the object, purpose and restrictions of the underlying fund or charity.

2 Principal Accounting Policies

The principal accounting policies are set out below.

(a) Incoming resources

All income is included in the statement of financial activities when the Council is entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Council being notified of an impending distribution and the legacy being received.

(b) Resources expended

All expenditure is accounted for on the accruals basis.

(c) Grants payable

Grants are recognised as a liability when the grant is notified to the recipient. Any ministry training maintenance grants for the Lent term of the following year, paid in the current year, are accounted for as prepayments (please refer to notes 15 and 24a for further details).

(d) Governance costs

Governance costs include the costs of preparation and examination of statutory accounts, the costs of internal audit functions, the costs of legal advice on governance and constitutional matters and the costs of Council meetings.

(e) Support costs

Support costs, which include central functions, have been allocated to activity cost categories on a basis consistent with the use of resources including costs split on a per capita basis.

(f) Fixed assets

Investments: stated at bid price. Surpluses or deficits on the revaluation and disposal of investments are taken directly to the statement of financial activities. All investments held with Ruffer and Sarasin (except for Permanent endowment restricted funds), are invested on an accumulation basis, where dividends received are reinvested as new units within the fund.

Properties: stated at market value, on the basis of comparable recent market transactions made at arm's length, and estimates of the future potential net income generated by use of the property, due to there being limited market based evidence available for property of this specialised nature. Surpluses or deficits on the revaluation and disposal of properties

are taken directly to the statement of financial activities. The realisation of a property is recognised when it is considered certain. Properties are revalued every five years and the Council undertakes an annual review to consider whether there are any indicators of impairment.

Other fixed assets: capitalised stated at cost including any direct costs of acquisition, net of depreciation and any provision for impairment.

Depreciation is charged so as to write off the cost of other fixed assets, less their estimated residual values, on a straight-line basis over their expected useful economic lives. The principal annual rates are:

Office equipment	20 to 25%
Leasehold improvements	10%

(g) Pension costs

As set out in Pensions (note 22), The Archbishops' Council participates in two defined benefit pension schemes and one defined contribution scheme - set up in 2006 for employees commencing service after 30 June 2006. The defined benefit schemes are multi-employer schemes as defined in Financial Reporting Standard 17: Retirement Benefits. As employees are jointly employed by the National Church Institutions (NCIs), and move between NCIs, the Council is unable to identify its share of the underlying assets and liabilities. Paragraph 10(b) of the Standard requires the Council to account for pension costs on the basis of contributions payable to the schemes in the year. These are shown in Staff Numbers and Costs (note 11).

(h) Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities in equal amounts over the period of the lease.

(i) Related Parties

The Church of England is governed by a large number of legally independent bodies in its parishes, cathedrals and dioceses as well as at national level. These bodies, with the exceptions of those set out below, are not related parties as defined in the Charities SORP or FRS 8: Related party disclosures. Transactions and balances with these bodies are accounted for in the same way as other transactions and, where material, are separately identified in the notes to the financial statements.

The Council is related to Church of England Central Services (ChECS), as it is a partner in this joint venture. Details are given in note 11: ChECS. The Council is also related to the following pension funds, operated by the Church of England Pensions Board: Clergy Funded Pension Scheme; Church Administrators Pension Fund, Church Workers Pension Fund. In accordance with SORP paragraph 229(d) details of these transactions are not disclosed separately. Details about the pension funds, including contributions paid, are given in note 22.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

3. GRANTS RECEIVABLE

	2014	2013
	£000	£000
First World War Centenary Cathedrals Repair Fund	87	-
Department of Culture Media and Sport (DCMS) Capital Grant	-	411
Pilgrim Trust	200	250
Other	110	26
	<u>397</u>	<u>687</u>

Fund

A grant of upto £20 million has been awarded by the DCMS, for the purpose of a Church of England First World War Centenary Cathedrals Repair Fund. This fund is expected to be fully spent by March 2016.

DCMS grant award

A one-off capital grant of £781,000 (to be spent by 31st March 2013) was awarded by the DCMS, for the benefit of improving facilities in some of our most challenged listed church buildings. £370,000 of this grant award was recognised as at 31st December 2012, which reflects the level of grant paid out at that date. The remaining £411,000 of income was recognised in 2013.

4. OTHER VOLUNTARY INCOME

	2014	2013
	£000	£000
Legacies	89	49
Donations	236	116
	<u>325</u>	<u>165</u>

At the time The Archbishops' Council is notified of legacies there is often uncertainty about the final amount which will be received. This income is not recognised until there is reasonable certainty over the amount. The estimated value of legacies which have been notified but not recognised at 31 December 2014 was £350,000 (2013: £35,000).

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2014	2013
	£000	£000
Accommodation - Income from Sub-tenants	1,366	1,320
Church House Publishing	347	383
Conferences & Courses	424	638
Other	204	172
	<u>2,341</u>	<u>2,513</u>

Expenditure on Conferences and Courses was £648,000 (2013: £756,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

6. INVESTMENT INCOME

	2014 £000	2013 £000
Dividends	79	88
Interest on cash at bank and deposits	56	73
	135	161

7. CHARITABLE ACTIVITIES

(a) by objective	Notes	Enhancing mission £000	Advancing education & lay discipleship £000	Selecting & resourcing for public ministry £000	Development of Church buildings for worship & service £000	2014	2013
						Total £000	Total £000
Grants payable	9	8,268	141	52,313	399	61,121	60,373
<i>Direct Costs</i>		1,849	652	2,159	1,062	5,722	5,292
<i>Support Costs</i>							
Management		1,015	508	1,217	711	3,451	3,494
Finance		274	137	329	192	932	1,050
Libraries, Archives, Information & Office Services		207	104	249	145	705	678
Human Resources		103	51	123	72	349	437
Accommodation		726	363	872	509	2,470	2,393
Charitable Activities by Objective 2014		12,442	1,956	57,262	3,090	74,750	-
Charitable Activities by Objective 2013		12,183	2,218	55,669	3,647	-	73,717

(b) Church House Publishing

The Archbishops' Council has an agreement with Hymns Ancient & Modern to publish liturgy, key reference titles and other resources for the Church.

Under the agreement the Council will ensure that a range of titles is published to support the ministry and mission of the Church, under its Church House Publishing imprint, with Hymns Ancient and Modern. Expenditure incurred by the Council in 2014 was £273,000 (2013: £304,000).

8. GOVERNANCE COSTS

	2014 £000	2013 £000
Internal audits and risk management	70	69
External audit	35	37
Legal and support costs (including supporting General Synod)	177	159
Membership and committees	5	9
	287	274

The fee for audit services for the year was £34,500 (2013: £34,500). This includes £3,500, being the Archbishops' Council share of the ChECS & ChECS trading audit fee for 2014. Fees paid to the external auditors for non-audit services were £Nil (2013: £2,227).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

9. GRANTS PAID

(a) Grants paid to dioceses

The Council applied £40,543,000 of the income received from the Church Commissioners as shown below. Ministry support for low income dioceses and stipend allocations are allocated in accordance with the current Selective Allocations formula. A full list of grants paid by Institution can be obtained by sending a written request to the Chief Finance Officer at our head office.

	2014	2013
	£000	£000
Ministry support for low income dioceses	34,444	34,444
Mission funding	5,892	5,892
Diocese of Europe	144	-
Other	63	100
	40,543	40,436

(b) Grants payable through Training for Ministry (Vote 1)

Vote 1 provides funds towards training for ordained ministry. Colleges, courses and schemes receive funding towards the cost of training the number of ordinands at the institution. Ordinands in residential training receive standard allowances towards the cost of maintenance, and their travel expenses. Ordinands training non-residentially are eligible for grants towards the cost of books and travel expenses. Ordinands training on local ministry schemes are funded in partnership with the sponsoring diocese. Total grants paid in 2014 were £13,300,000 (2013: £12,343,000).

(c) Grants (Vote 3)

Vote 3 provides funds towards the work of the Anglican Communion Office, the national and international ecumenical agencies, and the Church Urban Fund. Total grants paid in 2014 were £1,196,000 (2013: £1,187,000).

(d) Grants payable through Mission Agencies Pension Contributions (Vote 4)

The Church Commissioners are statutorily required under the Pensions Measure 1997 to meet the pension costs of clergy who are employed by those mission agencies which were Church of England members of the Partnership for World Mission at the time the Measure was passed. By agreement, the Council met the full cost of this liability, which was £719,000 in 2014 (2013: £725,000). The contribution was made in respect of an average number of clergy of 85 in 2014 (2013: 87).

(e) Grants payable for Church Housing Assistance for the Retired Ministry - CHARM (Vote 5)

Vote 5 provides funds towards the repair, maintenance and other costs associated with housing provided for clergy retiring from stipendiary ministry, under the CHARM scheme administered by the Church of England Pensions Board. It is a grant towards the cost of the subsidy provided within the rental arm of the scheme, together with the administrative costs of the scheme. The costs met by the Council were £3,954,000 (2013: £3,766,000). The balance of the subsidy was met from the charitable funds of the Church of England Pensions Board.

(f) Other grants payable

	Unrestricted Funds	Restricted Funds	Total	
	£000	£000	£000	2013
Church and Community Fund	-	392	392	442
Training for the Ministry	-	359	359	490
DCMS Grant	-	77	77	411
Pilgrim Trust	-	200	200	250
Church Schools Fund	-	-	-	100
ChECS procurement funding	-	21	21	-
Other	67	315	382	223
	67	1,364	1,431	1,916

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

10. STAFF NUMBERS AND REMUNERATION

The Council is joint employer, together with the other National Church Institutions (the NCIs), of most of the staff of the NCIs. The Chief Executive is employed directly by the Council.

In addition to staff employed directly, the work of the Council is supported by staff in shared service departments who provide finance, HR, communications, legal, IT and internal audit services. Since 1 April 2014 they have been employed by a separate NCI, Church of England Central Services (ChECS) (see note 11). Prior to this they had one of the three main NCIs as managing employer and their costs were shown only in the relevant NCIs accounts. The SORP requirements are that the costs of staff employed by third parties who operate on your behalf should be disclosed in the accounts. In order to comply with the spirit of the SORP, the costs of all ChECS staff are shown in aggregate in the tables below and the prior years figures have been restated to allow a full comparison between years - the Council's share of which was £2,570,000 (2013:£2,570,000).

The cost of staff for which the Council are the managing employer and for ChECS (in aggregate) was:

	Archbishops' Council's own staff				ChECS	
	Mission & Public Affairs		Central Secretariat and Fundraising		Shared Services	
	Education	Ministry	Cathedral & Church			
	2014	2013	2014	2013	2014	2013
	Number	Number	Number	Number	Number	Number
Average Number Employed	68	68	30	27	121	118
	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	2,643	2,552	1,329	1,292	4,932	4,713
National Insurance Costs	274	277	146	133	539	516
Pension Contributions	805	834	414	362	1,398	1,295
Total cost of staff	3,722	3,663	1,889	1,787	6,869	6,524

Included in Archbishops' Council's own staff costs is £107k (2013 £231k) paid by way of redundancy costs to 7 (2013 - 9) individuals following a restructuring, the costs of which are accounted for in full in the year in which the restructure is announced.

The number of staff whose emoluments for the year fell in the following bands were:

	Archbishops' Council's own staff				ChECS	
	Mission & Public Affairs		Central Secretariat and Fundraising		Shared Services	
	Education	Ministry	Cathedral & Church			
	2014	2013	2014	2013	2014	2013
	Number	Number	Number	Number	Number	Number
£60,001 to £70,000	2	2	1	2*	9	9*
£70,001 to £80,000	4	2	1	-	3	3
£80,001 to £90,000	-	-	-	-	6	4
£110,001 to £120,000	1*	1*	-	1*	-	-
£120,001 to £130,000	-	-	-	-	1	2*
£140,001 to £150,000	-	-	-	-	1	1
£150,001 to £160,000	-	-	1	1	-	-

* includes redundancy costs

The highest paid member of staff was the Chief Executive who earned £157,000 (2013:£156,000). Further details of The Archbishops' Council's remuneration policy are included in the Governance section of the annual report on page 32.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

STAFF NUMBERS AND REMUNERATION (continued)

All of the staff above are members of either the Church Administrators Pension Fund (CAPF) or the Church of England Funded Pension scheme (CEFPS) (note 22). Of those managed directly by the Council within the CAPF; 4 (2013: 2) staff members accrue benefits under a defined contribution scheme for which contributions for the year were £43,000 (2013: £22,000). The remaining 6 (2013: 7) staff members accrue benefits under a defined benefit scheme, including two members of staff who accrue benefits under a defined benefit scheme (2013: 1) within the CEFPS. Of those managed by ChECS, 10 staff members accrue benefits under a defined contribution scheme for which contributions for the year were £58,000. The remaining 10 staff members accrue benefits under a defined benefit scheme.

Staff Loans

Interest free loans are made for travel season tickets and green travel loans for the purchase of bicycles and electric scooters.

Members of the Council

Expenses incurred in attending Council and committee meetings and on other business of the Council were reimbursed to members of the Council. There were claims from 12 members (2013: 14) amounting to £4,929 (2013: £9,160). The members of the Council have no entitlement to salary or pension arising from their services to the Council.

In addition, the following amounts were paid in respect of services provided by, or royalties owed to, members:-

£3,860 (2013: £1,384) paid to the Rt Revd Steven Croft in regards Church House Publishing book royalties.

£580 (2013: £1,312) paid to Three O Clock Productions Ltd for Communications training services. Mr Chris Rees, husband of Council member Mrs Christina Rees, is a Director of this charitable company

£1,400 (2013: £nil) paid to Hilary Cotton (wife of Revd Canon Robert Cotton), for work relating to evaluating the training of Bishops.

£29 (2013: £17) paid to the Revd Mark Ireland in respect of Church House Publishing book royalties.

11. CHURCH OF ENGLAND CENTRAL SERVICES (ChECS)

ChECS is a charitable joint venture between the Church Commissioners, The Archbishops' Council and the Church of England Pensions Board for which the three partners hold equal shares. The purpose of ChECS is to enhance the efficiency and effectiveness of the charitable national and diocesan institutions of the Church of England and of other charities with a church ethos, by facilitating the provision of cost-effective shared financial, legal and other services.

The charity was registered with the Charity Commission on 31 December 2013 and started operating from 1 April 2014. Prior to this, shared services were provided by each of the NCIs (see note 10: Staff numbers and remuneration for more details). Management of these services, provided by The Archbishops' Council, Church Commissioners and the Church of England Pensions Board, remained unchanged.

The table below shows the total costs for shared services:

	1 Jan - 31 Mar	1 Apr - 31 Dec	2014	2013
	Services provided by AC/CC/PB	Services provided by ChECS	Total	Services provided by AC/CC/PB
	£'000	£'000	£'000	£'000
Resources Expended:				
IT	380	1,305	1,685	1,248
Office Services	174	281	455	456
Records	111	655	766	743
Finance & Resources	1,430	2,704	4,134	4,413
Total managed by CC	2,095	4,945	7,040	6,860
Communications	131	482	613	715
Legal	348	884	1,232	1,183
Human Resources	222	572	794	844
Total managed by AC	701	1,938	2,639	2,742
Internal Audit	98	296	394	409
Total managed by PB	98	296	394	409
Total Outgoing Resources	2,894	7,179	10,073	10,011
Met by:				
Archbishops' Council	993	2,425	3,418	3,343
Church Commissioners	1,300	3,314	4,614	4,569
Pensions Board	485	1,230	1,715	1,867
Other Parties	116	210	326	232
	2,894	7,179	10,073	10,011

Note - the £2,425,000 cost met by the Archbishops' Council for services provided by ChECS includes grant funding of £21,000 in respect of the National Procurement initiative.

The Council's one-third share of gross incoming and outgoing resources of ChECS for the nine months to 31 December 2014 was £2,393,000.

The net assets of ChECS as at 31 December 2014 was £nil and The Archbishops' Council's share of these was £nil.

As at 31 December 2014, £71,000 was owed to the Council by ChECS.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

12. INVESTMENTS

	2014	2013
	£000	£000
FIXED ASSETS		
At 1 January	32,475	29,009
Additions	-	150
Disposals	(520)	(656)
Net (deficit)/surplus on revaluation	2,013	3,972
At 31 December	<u>33,968</u>	<u>32,475</u>

Investments held with:

	2014	2013
	£000	£000
Sarasin & Partners LLP	17,943	17,405
Ruffer LLP	15,760	14,815
CCLA Investment Management Limited	166	157
Other	99	98
	<u>33,968</u>	<u>32,475</u>

The structure of the asset allocation of the underlying funds under the control of the Council at 31 December 2014 was:

	2014	2013
	£000	£000
UK Equities	6,691	7,514
Overseas Equities	13,610	13,032
Property	1,488	1,218
Fixed Interest/Index Linked	8,898	6,622
Infrastructure	1,605	1,464
Cash	1,676	2,625
	<u>33,968</u>	<u>32,475</u>

13. PROPERTIES

Programme Related Investment Properties

	2014	2013
	£000	£000
At 1 January	3,225	3,225
Net deficit on disposals and revaluation	-	-
At 31 December	<u>3,225</u>	<u>3,225</u>

At 31 December 2014, properties comprised:

a) The freehold interest in Parkstead.

The Whitelands College Foundation holds two long leases. The freehold was last valued as at 31 December 2013 by DTZ at £3 million.

b) The freehold interest in St Katherine's College, Childwall, Wavertree, Liverpool.

Liverpool Hope University holds a long leasehold interest in the college. The property was last valued as at 31 December 2013 by DTZ at £225,000.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

14. OTHER FIXED ASSETS

	Capital Under Construction £000	Office equipment £000	Leasehold improvements £000	Total £000
Cost				
At 1 January	-	1,609	2,439	4,048
Additions	32	-	-	32
Transfers	(32)	32	-	-
At 31 December	<u>-</u>	<u>1,641</u>	<u>2,439</u>	<u>4,080</u>
Depreciation				
At 1 January	-	1,296	2,332	3,628
Charge for the year	-	84	35	119
At 31 December	<u>-</u>	<u>1,380</u>	<u>2,367</u>	<u>3,747</u>
Net book value				
At 31 December 2014	<u>-</u>	<u>261</u>	<u>72</u>	<u>333</u>
At 31 December 2013	<u>-</u>	<u>313</u>	<u>107</u>	<u>420</u>

15. DEBTORS

	2014 £000	2013 £000
Amounts due within one year		
Trade debtors	243	133
Prepayments	243	212
Amounts due from NCIs	878	994
Amounts due from Colleges and Schools	33	43
VAT and social security	226	174
Other debtors	310	301
	<u>1,933</u>	<u>1,857</u>
Amounts due after more than one year		
Amounts due from Colleges and Schools	<u>174</u>	<u>215</u>

16. CREDITORS

	2014 £000	2013 £000
Amounts due within one year		
Trade creditors	933	979
Grants payable	1,134	1,527
Other creditors	109	20
Accruals and deferred income	331	97
	<u>2,507</u>	<u>2,623</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

17. STATEMENT OF UNRESTRICTED FUNDS

	At 1 January 2014 £000	Income £000	Expenditure £000	Other movements £000	At 31 December 2014 £000
GENERAL FUNDS	2,673	12,286	(13,340)	828	2,447
DESIGNATED FUNDS					
CBF Lump Sum Pension Fund (note 22c)	77	-	-	-	77
Church Schools Fund	543	-	-	-	543
Church House Planned Maintenance	1,602	-	(264)	-	1,338
Unrestricted Legacies	546	3	-	(225)	324
General Synod Sundry Fund	137	-	-	(95)	42
Staff Retirement Fund	242	-	-	-	242
Clergy Retirement Housing Fund	411	-	-	-	411
People & Pay Project	374	-	(86)	-	288
Young Vocations	39	-	-	(28)	11
2011 to 2015 Quinquennium Projects	32	-	(19)	-	13
Other	24	32	(19)	-	37
	4,027	35	(388)	(348)	3,326
Properties	3,225	-	-	-	3,225
DESIGNATED FUNDS TOTAL	7,252	35	(388)	(348)	6,551
TOTAL UNRESTRICTED FUNDS	9,925	12,321	(13,728)	480	8,998

(a) General funds

These funds represent the Unrestricted Funds of the Council for general use in meeting national Church responsibilities, which are not designated for particular purposes.

(b) Designated funds

These funds comprise Unrestricted Funds which the Council has designated to be set aside for stated purposes:

The CBF Lump Sum Pension Fund represents provision for the deferred benefits detailed in note 22(c).

The Church Schools Fund represents provision to meet the cost of short term loans to schools and grants to the Church Schools of the Future project.

The Church House Planned Maintenance Fund comprises accumulated amounts set aside to meet periodic costs related to the occupation of Church House.

The Unrestricted Legacies fund is to be used for funding new project initiatives.

The General Synod Sundry Fund comprises funds to meet expenditure incurred in respect of quinquennial inaugurations of General Synod.

The Staff Retirement Fund comprises funds to meet payments to personnel as a result of future restructuring of the Council.

The Clergy Retirement Housing Fund was established to supplement the CHARM (Vote 5) Restricted Fund, which provides a grant towards the subsidy for the Clergy Retirement Housing Scheme administered by the Church of England Pensions Board.

The People & Pay Fund comprises funds to meet The Archbishops' Council share of the costs of the IT system established to meet the 'People & Pay' needs of the National Church Institutions.

The Young Vocations Fund was established to support the work of encouraging young ordinands to train for ordained ministry.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

The 2011 to 2015 Quinquennium Projects fund was established to meet the initial costs associated with publishing materials to deliver projects to meet the challenges of the current quinquennium.

Property comprises the valuation of the Parkstead and St Katherine's freeholds, which are subject to long leases (please see note 13 for further details).

(c) Transfers

The most significant transfers during the year are set out below. All sums transferred from Restricted Funds were spent in lin

Restricted Expendable Funds to General Funds

£226,000 was transferred from the Church and Community Fund.

£149,000 was transferred from ACMTTF Expendable.

Designated Funds to General Funds

£225,000 was transferred from Unrestricted Legacies.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

18. STATEMENT OF RESTRICTED FUNDS

	At 1 January 2014	Income	Expenditure	Other movements	At 31 December 2014
INCOME FUNDS	£000	£000	£000	£000	£000
Training for Ministry Fund (Vote 1)	2,617	12,983	(13,586)	332	2,346
Grants and Provisions Fund (Vote 3)	291	1,237	(1,207)	(30)	291
Mission Agencies Pensions Contributions (Vote 4)	130	741	(719)	-	152
CHARM (Vote 5)	378	3,956	(3,954)	-	380
Dioceses Fund	952	40,608	(40,543)	-	1,017
Legal Costs	1,569	7	(128)	30	1,478
Cathedral & Church Buildings Sundry Funds	149	6	(92)	11	74
Train a Priest Fund	148	64	(1)	(119)	92
Sundry funds	272	534	(269)	(73)	464
Total Restricted Income Funds	6,506	60,136	(60,499)	151	6,294
EXPENDABLE ENDOWMENT FUNDS					
The Archbishops' Council Ministerial Training Trust Fund	2,472	62	(328)	(107)	2,099
Church Colleges of Education Fund	3,431	17	(121)	(72)	3,255
Jenkinson Legacy	295	1	-	(24)	272
Cathedral & Church Buildings Sundry Funds	25	-	-	(12)	13
Mission & Public Affairs Sundry Funds	601	-	(20)	20	601
Church & Community Fund	19,051	46	(457)	1,010	19,650
Church of England Special Purposes Fund	2,527	1	(66)	161	2,623
Women's Continuing Ministerial Education Trust	1,529	-	(56)	95	1,568
Theological Colleges and Training Houses Fund	397	1	(10)	11	399
Sundry Funds	691	4	(15)	(2)	678
Total Expendable Endowment Funds	31,019	132	(1,073)	1,080	31,158
PERMANENT ENDOWMENT FUNDS					
The Archbishops' Council Ministerial Training Trust Fund	1,467	-	-	(9)	1,458
Church Colleges of Education Fund	393	-	-	287	680
Stephen Furness Trust	382	10	(8)	14	398
Sundry Funds	283	7	(4)	10	296
Total Permanent Endowment Funds	2,525	17	(12)	302	2,832
TOTAL RESTRICTED FUNDS	40,050	60,285	(61,584)	1,533	40,284
	Fixed assets	Cash & short-term deposits	Debtors	Creditors	Net assets
	£000	£000	£000	£000	£000
Income funds	148	6,128	710	(692)	6,294
Expendable Endowment funds	31,062	748	11	(663)	31,158
Permanent Endowment funds	2,751	82	-	(1)	2,832
TOTAL RESTRICTED FUNDS	33,961	6,958	721	(1,356)	40,284

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

Purpose of Restricted Funds

The Training for Ministry Fund (Vote 1) provides funds towards training for ordained ministry. This fund covers the tuition costs, university fees, college fees, personal maintenance and books and travel costs of sponsored ordinands prior to ordination.

The Grants and Provisions Fund (Vote 3) provides funds towards the work of the Anglican Communion Office, the national and international ecumenical agencies, Church Urban Fund, and the Legal Costs Fund.

The Mission Agencies Pensions Contributions Fund (Vote 4) provides for pension contributions in respect of clergy who are employed by the mission agencies.

The Church's Housing Assistance for the Retired Ministry (CHARM Vote 5) fund was established to provide a grant towards the subsidy for the scheme administered by the Church of England Pensions Board to provide housing for those retiring from stipendary ordained & lay ministry.

The Dioceses Fund is the vehicle by which money is received from the Church Commissioners and distributed to the dioceses in accordance with the Allocations formula.

The Legal Costs Fund includes the Legal Aid Fund. General Synod is required by Measure to maintain a Legal Aid Fund, which is held by the Council on its behalf, to meet the costs of ecclesiastical legal aid awarded by the Legal Aid Commission.

The Cathedral & Church Buildings Sundry Funds are for specified church conservation works.

The Train a Priest Fund is to support those training for the priesthood.

The Archbishops' Council Ministerial Training Trust Fund supports the training and maintenance of persons undergoing training for ordained ministry in the Church of England.

The Church Colleges of Education Fund's purpose is to advance education by promoting the effectiveness of Church of England Colleges of Higher Education and Universities.

The Jenkinson Legacy comprises funds bequeathed to support the training of Ordination candidates.

The Mission and Public Affairs Sundry Funds are for missionary work of the Church of England.

The Church and Community Fund promotes the charitable work of the Church of England (primarily by making grants to church and community projects).

The Church of England Special Purposes Fund exists to provide for the advancement of religion in accordance with the doctrine of the Church of England.

The Women's Continuing Ministerial Education Trust Fund exists to further the continuing ministerial education of those women in the Church of England and the Scottish Episcopal Church who are in need of financial assistance.

The Theological Colleges and Training Houses Fund makes grants and loans for capital works, furniture or equipment at colleges or courses recognised by the House of Bishops for Ordination Training. In between 2006 and 2011 this was held in the Training for Ministry Income Fund.

The Stephen Furness Trust fund provides for the repair and maintenance of the fabric, fixtures & fittings and furniture within six churches named in the trust deed

The First World War Centenary Cathedrals Repair Fund is a grant scheme in which £20 million is available for grants towards repairs to listed Anglican and Roman Catholic cathedrals in recognition of their heritage significance and role in remembrance activities to commemorate the First World War.

Transfers:

The most significant transfers during the year are set out below. All sums transferred from Restricted Funds were spent in line with the fund purposes.

Restricted Funds to General Funds

There were transfers made from Restricted Funds to General Funds amounting to £480,000 during the year, of which the following were the most material:

£226,000 was transferred from the Church and Community Fund (See also note 17c)

£149,000 was transferred from ACMTTF Expendable (See also note 17c)

Between Restricted Funds

£30,000 was transferred from Vote 3 to the Legal Costs Fund

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

19. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£000	£000
Net incoming/(outgoing) resources during the year	(2,706)	(1,041)
Depreciation	119	232
Investment income	(135)	(160)
Decrease in current asset Investments	-	-
Decrease in stocks	9	15
(Increase)/decrease in debtors	(35)	458
Increase/(decrease) in creditors	(116)	671
Net cash inflow / (outflow) from operating activities	(2,864)	175

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2014	2013
	£000	£000
Increase/(decrease) in cash in the year	(391)	744
Increase/(decrease) in short term deposits	(1,850)	2
	(2,241)	746
Net funds at 1 January	14,397	13,651
Net funds at 31 December	12,156	14,397

21. ANALYSIS OF CHANGE IN NET FUNDS

	At 1		At 31
	January		December
	2014	Cash flows	2014
	£000	£000	£000
Cash at bank and in hand	2,409	(391)	2,018
Short term deposits	11,988	(1,850)	10,138
	14,397	(2,241)	12,156

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

22. PENSIONS

Pension benefits to staff employed within the National Church Institutions are provided either through two defined benefit pension schemes - the Church Administrators Pensions Fund (CAPF) and the Church of England Funded Pensions Scheme - or through the CAPF defined contribution scheme which was established for employees commencing service after 30 June 2006. The schemes are administered by the Church of England Pensions Board, which publishes the schemes' financial statements. The contributions to the two defined benefit schemes have been assessed by an independent qualified actuary using the projected unit method of valuation and are detailed in notes (a) and (b) below.

(a) The Church Administrators Pension Fund

i) Defined Benefits Section (closed to new members from 30 June 2006)

Costs shared between the National Church Institutions

The most recent full valuation of the Fund, as at 31 December 2011, showed an overall deficit of £32,400,000 (2008: £30,200,000). Despite the increase in scheme deficit no adjustment to the existing recovery plan was deemed necessary by the Trustees of the Fund. The level of additional contributions made by the participating employers was £2,492,000 in 2014 (2013: £2,373,000). These contributions are subject to an annual increase on 1st January each year of 5% per annum, and are payable until 30 June 2025. The deficit contributions paid by The Archbishops' Council in 2014 were £533,000 (2013: £677,000). A triennial valuation as at 31 December 2014 is in preparation.

Contributions Paid

In 2013 the Council paid contributions (exclusive of the additional contributions) to the Fund totalling £232,000 (2013: £351,000). The participating employers are also responsible for making contributions towards the administration costs of the scheme at £210,000 per annum (effective from 1 January 2013) and the cost of Pension Protection Fund levies.

Costs specific to The Archbishops' Council

Based on the historic valuation at 31 December 2002, there was a shortfall of the market value of the assets compared to the amount required to cover the benefits that had accrued to members after allowing for expected future increases in salaries. In the light of these results the Council paid an additional contribution of £218,000 in 2014 (2013: £211,000). These additional contributions, which are expected to be paid until 31 December 2016, will increase in line with retail price inflation.

ii) Defined Contribution Section

Following the closure of the defined benefit contribution section of the Fund on 30 June 2006 a defined contribution section was set up for those commencing service after this date. The Council paid contributions of £315,000 in 2014 (2013: £323,000).

(b) The Church of England Funded Pension Scheme

The Council participates in the Church of England Funded Pensions Scheme.

The last full valuation of the scheme was carried out as at 31 December 2012. Following this review, with effect from 1 January 2015, the total contribution for past and future service will increase to 39.9% from the current 38.2% of pensionable stipends. In 2013 the Council paid contributions to the Fund totalling £67,000 (2013: £50,000).

Membership

The average number of Archbishops' Council employees within each scheme was:

	CAPF		Funded
	Defined Benefit	Defined Contribution	Defined Benefit
2014	27	62	7
2013	51	67	6

The amounts given for 2013 include staff from HR, Communications and Legal, which from 1 April 2014 forms part of ChECS.

(c) Central Board of Finance Lump Sum Scheme

A sum of £77,000 (2013: £77,000) (note 17) has been set aside within Designated Funds to meet the Council's liabilities for deferred benefits under the former Central Board of Finance Lump Sum Scheme. The Scheme provides for lump sum payments to 31 (2013: 31) former CBF employees upon reaching retirement age. The Scheme has Inland Revenue approval under section 20 of the Finance Act 1970. In 2014 payments of £nil (2013: £Nil) were made from this fund.

23. OBLIGATIONS UNDER OPERATING LEASES

The amount due for land and buildings within the next 12 months, on a lease with the Corporation of Church House, is £1,304,100 (2013: £1,259,000). The cost is shared with the other National Church Institutions. The Corporation of Church House intends to waive the rent for 2015.

24. COMMITMENTS AND CONTINGENCIES

(a) Training for Ministry candidates

The Council provides grants to institutions to fund the training of ordinands and meet their tuition and maintenance costs. Ordinands can follow courses of up to three years and are selected and recommended for training under the guidance of their Diocesan Bishop. There is no guarantee that ordinands will move automatically onto a further year of study as this depends on whether they have made satisfactory progress. Formal external assessments are carried out at the end of the final and penultimate year of study and the Council encourages institutions to apply similar methods at the end of year one where applicable.

No accrual is normally made in the accounts for the future funding to be provided to the end of the current academic year (ending in May/June 2014) or any of the remaining two years. In so doing the Council matches grants payable with the income agreed by General Synod under Vote 1- Training for Ministry, which is agreed on a calendar year basis rather than academic year basis.

(b) Joint Employer Scheme

The Council is joint employer, together with the other NCIs, of most of the staff of the NCIs and, as such, has a contingent liability for salaries and other employment costs in the event of a default by any of the other joint employers.

(c) TUPE

The Council has a contingent liability for potential severance costs in respect of 2 (2013: 2) former NCI employees whose employment has been transferred to other organisations under TUPE.

25. STATEMENT OF OTHER FUNDS

Other funds with separate and independent trustees

The Council acts as custodian trustee for a number of funds which have trustees separate and independent from the Council but where the Council holds the trusts' investments on their behalf. The funds had a combined income of £281,000 (2013: £231,000) and expenditure of £517,000 (2013: £239,000) and, after a surplus on revaluation of £143,000 at 31 December 2014, net assets of £2,999,000 (2013: £3,092,000).

The assets of all of the funds, primarily investments and cash, are maintained separately from those of the Council.



THE CHURCH
OF ENGLAND