

Archbishops' Council

2016 Budget

2016 Budget Overview

The recommended Net Expenditure and Apportionment levels for the 2016 budget, together with the changes on the 2015 level are set out below.

Table 1: Summary of 2016 budget for Votes 1-5						
	Expected Expenditure £	Inc / (dec) vs 2015 %	Net Expenditure £	Inc/(dec) vs 2015 %	Diocesan Apportion- ment £	Inc/(dec) vs 2015 %
Training for Ministry	13,488,475	0.4	13,488,475	0.4	13,398,475	2.3
National Church Support	12,153,987	5.3	11,169,620	0.4	10,112,755	2.2
Grants & Provisions	1,272,082	0.6	1,272,082	0.6	1,272,082	0.6
Mission Agencies	787,950	2.0	787,950	2.0	787,950	2.0
Pensions						
Clergy retirement housing	4,359,170	5.0	4,359,170	5.0	4,359,170	5.0
Total	<u>32,061,664</u>	2.9	<u>31,077,297</u>	1.1	<u>29,930,432</u>	2.5

The Council's budgeted expenditure across the five Votes in 2016, including expenditure funded by the Church Commissioners, is £32.1 million, 2.9% above the 2015 budget level. It is planned that the majority of this expenditure will be funded from the apportionment requested from dioceses of £29.9 million (an increase of 2.5% on 2015 levels) as shown in the table below.

The Council has been able to limit the apportionment increase to 2.5% with the help of a second year of rent relief for Church House from the Corporation of the Church House. The Church Commissioners' Board has agreed that their share of rent relief, as well as the Council's, should be applied to reduce pressure on the dioceses as a result of the increase in safeguarding costs.

Table 2: Funding expenditure from Votes 1-5 in 2015-2016			
	2015	2016	Change 2016 v 2015 budget
	£m	£m	£m
Apportionment	29.19	29.93	0.74
Restricted and designated funds	0.68	0.47	(0.21)
Reserves	0.30	0.06	(0.24)
Interest	0.04	0.04	-
Rent relief (AC)	0.54	0.58	0.04
Commissioners	0.42	0.98	0.56
Total	31.17	32.06	0.89
Note: Totals may not cross cast due to roundings			

The planned lower level of reserves to be used in 2016 reflects that with the forecast draw on reserves in 2015 being £0.1 million more than budgeted, reserves are expected to be at levels which the Council considers it would not be prudent to go below.

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Executive Summary

1. The Archbishops' Council has endorsed its 2016 budget after detailed scrutiny from its Finance Committee and comments from the Inter-Diocesan Finance Forum (comprising the Chairs of Diocesan Board of Finance, Diocesan Secretaries and a General Synod representative from each diocese).
2. A major factor in the budget has been the significant extra resource that the Council needs to allocate to national safeguarding work. In 2014 the Council budgeted to spend £44,500 in this area. This has increased more than twelvefold to £557,500 in 2016.
3. Despite this challenge the Council has been able to limit the overall apportionment increase to 2.5%. This has only been possible because of a second year of rent relief from the Corporation of the Church House and the Church Commissioners agreeing that their share of this relief should be applied to reduce pressure on the dioceses as a result of the increase in safeguarding costs. Such Church Commissioners' support is predicated on proper safeguarding policies and protocols being implemented and followed by all dioceses and an acknowledgement that the Commissioners will not be willing to exercise their discretion to meet bishop's legal costs in any case where best safeguarding practice has not been followed.
4. Had this rent relief not been available the apportionment would have needed to increase by an additional 4%. In the light of this the Council has agreed that it will review its funding model before the 2017 budget round to take account of the funding pressures around safeguarding and other areas. By the time the budget is presented to Synod a review will have begun to examine afresh how the Council can best meet its objective of carrying out work that needs to be undertaken, or is most cost effectively undertaken, at national level and how this can best be funded.

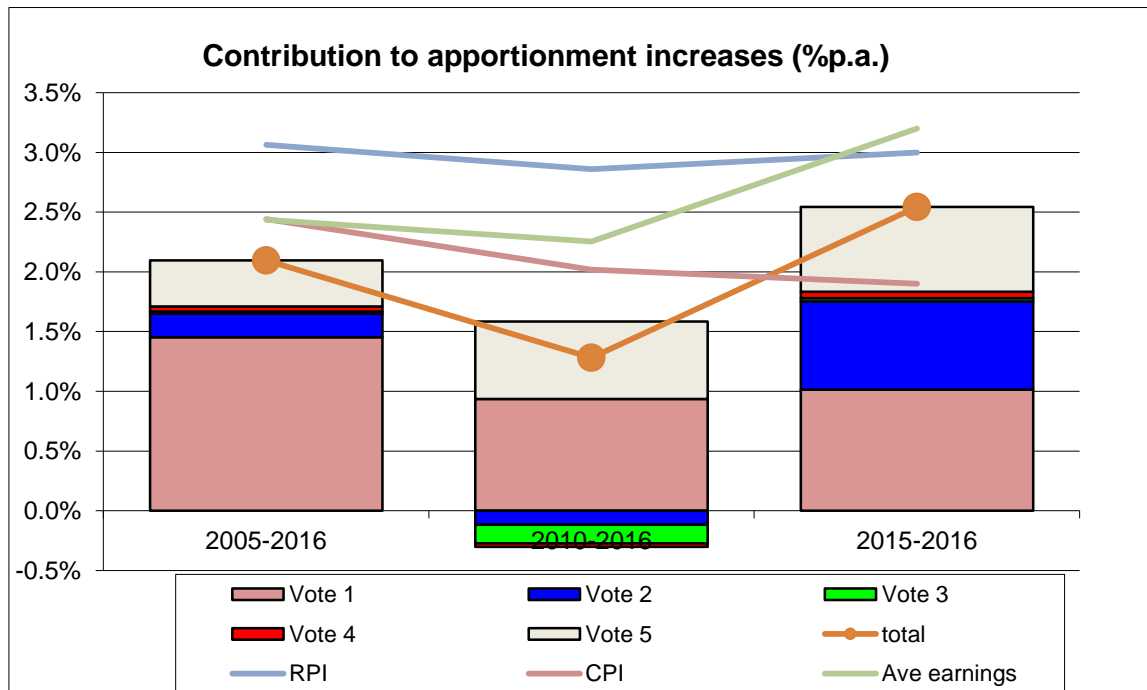
The 2016 budget in the longer term context

5. The overall recommended apportionment increase of 2.5% in 2016 will be the highest requested increase since 2009 when the 6.5% increase was driven by a 13.0% increase on Vote 1 as a result of a welcome increase in ordinand numbers. It remains the case that the apportionment has increased by a rate below inflation over recent years. The table below shows the average annual apportionment increases since 2005 (when Vote 5 commenced) and 2010 (when the 2010-2015 financial strategy review (GS 1731)¹ began to be implemented).

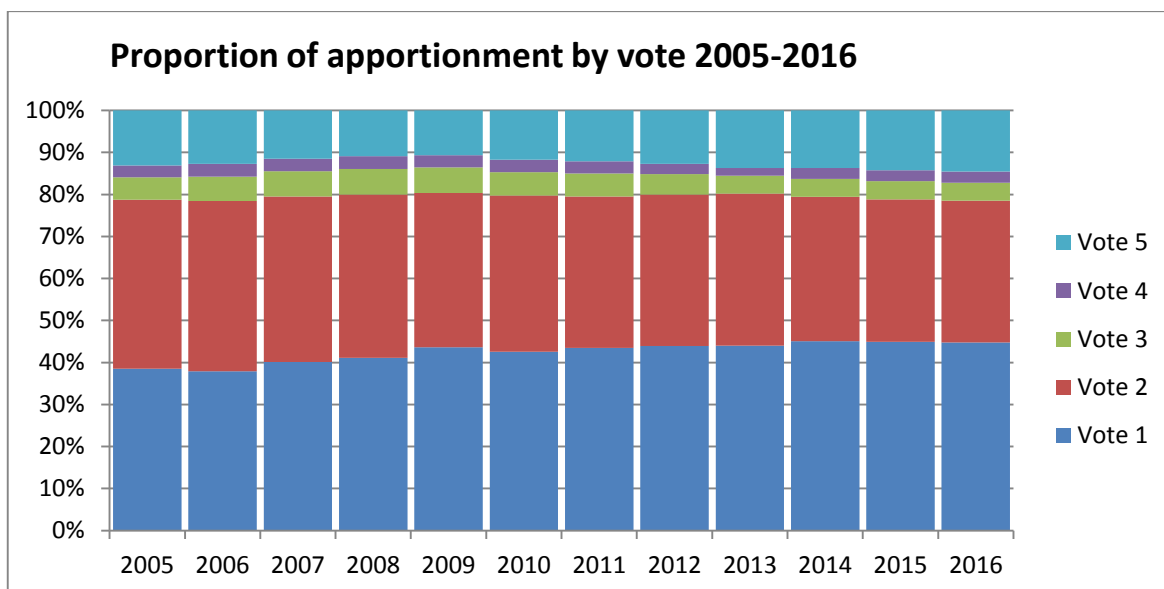
	2005-2016	2010-2016
Vote 1	3.5%	2.1%
Vote 2	0.5%	-0.3%
Vote 3	0.0%	-3.1%
Vote 4	1.4%	-0.9%
Vote 5	3.1%	5.0%
Total apportionment	2.1%	1.3%
RPI	3.1%	2.9%
CPI	2.4%	2.0%
Average earnings	2.4%	2.3%

¹ <http://www.churchofengland.org/media/39324/g1731.pdf>

6. These increases are shown graphically in the following chart.



7. Since both 2005 and 2010 Votes 1 and 5 have increased at a faster rate than the overall apportionment. The proportion of apportionment relating to training for ministry has increased from 39% in 2005 to 43% in 2010 and 45% in the 2016 budget. By contrast with a real terms cut of around a third over the past decade, Vote 2 has declined from 40% of the apportionment in 2005 to 37% in 2010 and 34% in the 2016 budget. The proportion of each vote since 2005 is shown in the chart below.



8. A brief summary of the key issues within the 2016 budget, by Vote, is set out below.

Vote 1: Training for Ministry

9. Based on recent selection trends, slightly fewer ordinands are expected to be in training in 2015/16 than in 2014/15. The 2016 budget provides for an increase in ordinands in training in 2016/17 when it is hoped that the early fruits of the Resourcing Ministerial Education workstream will be seen. The Council has agreed that reserves and restricted funds would be used to meet the costs of any extra ordinands commencing training in autumn 2016 over and above the level provided for in the budget. In this context the Council has formally abandoned the cap on ordinand numbers introduced to manage expenditure some years ago.
10. As the largest Vote, the Vote 1 apportionment increase of 2.3% increases the overall apportionment by 1.0%.

Vote 2: National Church Responsibilities

11. This budget covers the costs of work supporting the Church's mission and ministry that must be undertaken, or is most cost effectively undertaken, at national level. The availability of rent relief – including that allocated by the Church Commissioners - together with the judicious use of reserves, restricted and designated funds results in a Vote 2 apportionment increase of 2.2%, which feeds through into a 0.7% increase to the overall apportionment increase.
12. The most significant new factor in the 2016 Vote 2 budget is the additional provision for safeguarding referred to above. In addition, to increase its value added to the Church, the Council has also agreed some other much smaller items of additional expenditure: a one off Church wide census, a post to further support the church wide procurement work in its target of saving parishes £10 million a year and some unavoidable additional operational expenditure around the running of the General Synod to replace obsolete equipment. To support the target of increased vocations, there is also provision to continue to run the ministry experience programme and hold additional ministry selection conferences.

Vote 3: Grants and Provisions

13. This budget comprises the Church of England's contributions to the Anglican Communion Office, ecumenical organisations, the Council's Legal Costs Fund and other grants (including to the Church Urban Fund and Fresh Expressions). Grants are maintained at the 2015 level with the exception of a 1.5% increase in the grant to the Anglican Communion Office.

Vote 4: Mission Agency Clergy Pension Contributions

14. This meets pension contributions for clergy serving with the Partnership for World Mission agencies. For budgetary purposes it has been assumed that the number of qualifying clergy will remain at the current level.

Vote 5: Clergy Retirement Housing

15. The Vote 5 budget provides a grant to the Church of England Pensions Board to help fund the cost of the subsidy for the Church's Housing Assistance for the Retired Ministry (CHARM) scheme which ensures that all clergy have access to housing upon their retirement. Given the large number of prospective retirements over the next few years, the Council has agreed a 5% increase in 2016 and that it is prudent to plan for increases to remain at this level until 2020. Despite Vote 5 being only 13.5% of the overall budget, this increases the overall apportionment by 0.7%.

Summary - budget 2016

		Actual 2013 £000s	GS1900 Budget 2014 £000s	GS1959 Forecast 2014 £000s	Actual 2014 £000s	GS1959 Budget 2015 £000s	Apr'15 Forecast 2015 £000s	Inc/(Dec) vs GS1959 £000s	Apr'15 F/Cast Budget %	Draft Budget 2016 £000s	Inc/(Dec) vs GS1959 £000s	Draft 2016 vs GS1959 Budget %
Vote 1	Training for ministry											
	Total Expenditure	12,916	13,081	13,346	13,373	13,438	13,423	(14)	(0.1)	13,488	51	0.4
	Income:											
	AC Funded Transfers	321	-	100	119	-	-	-	-			
	Corporation Rent Relief	-	-	-	-	315	315	-	-	70	(245)	(77.8)
	Other income	24	15	20	8	20	20	-	-	20	-	-
	Diocesan Apportionment	12,559	12,975	12,975	12,975	13,103	13,103	-	-	13,398	296	2.3
	Total Income	12,904	12,990	13,095	13,103	13,438	13,438	-	-	13,488	51	0.4
	Movement (to)/from reserves	12	91	250	271	-	(14)	(14)		-		
Vote 2	National Church Responsibilities											
	Total Expenditure	10,893	10,687	11,148	11,120	11,122	11,632	510	4.6	11,170	48	0.4
	Income:											
	AC Funded Transfers	391	578	1,060	972	686	1,103	417	60.8	474	(212)	(30.9)
	Corporation Rent Relief	-	-	-	-	222	256	35	15.5	505	283	127.5
	Other income	43	20	20	24	20	20	-	-	20	-	-
	Diocesan Apportionment	10,322	9,897	9,897	9,897	9,897	9,897	-	-	10,113	216	2.2
	Total Income	10,756	10,495	10,977	10,894	10,825	11,277	452	4.2	11,112	287	2.7
	Movement (to)/from reserves	137	192	171	226	297	356	59		58		
Vote 3	Grants											
	Total Expenditure	1,271	1,269	1,269	1,237	1,264	1,298	33	2.6	1,272	8	0.6
	Income:											
	Other income	2	-	-	1	-	-	-	-	-	-	-
	Diocesan Apportionment	1,221	1,236	1,236	1,236	1,264	1,264	-	-	1,272	8	0.6
	Total Income	1,223	1,236	1,236	1,237	1,264	1,264	-	-	1,272	8	0.6
	Movement (to)/from reserves	48	33	33	-	-	33	33		-		
Vote 4	Mission agency pensions											
	Total Expenditure	725	740	740	719	773	792	19	2.5	788	15	2.0
	Income:											
	Other income	1	-	-	1	-	-	-	-	-	-	-
	Diocesan Apportionment	525	740	740	740	773	773	-	-	788	15	2.0
	Total Income	526	740	740	740	773	773	-	-	788	15	2.0
	Movement (to)/from reserves	199	-	-	(22)	-	19	19		-		
Vote 5	Clergy retirement housing											
	Total Expenditure	3,766	3,954	3,954	3,954	4,152	4,152	-	-	4,359	208	5.0
	Income:											
	Other income	2	-	-	2	-	-	-	-	-	-	-
	Diocesan Apportionment	3,904	3,954	3,954	3,954	4,152	4,152	-	-	4,359	208	5.0
	Total Income	3,906	3,954	3,954	3,956	4,152	4,152	-	-	4,359	208	5.0
	Movement (to)/from reserves	(140)	-	-	(2)	-	-	-		-		
Votes 1-5	Total											
	Total Expenditure	29,571	29,731	30,457	30,402	30,748	31,296	549	1.8	31,077	330	1.1
	Income:											
	AC Funded Transfers	712	578	1,160	1,092	686	1,103	417	60.8	474	(212)	(30.9)
	Corporation Rent Relief	-	-	-	-	537	571	34	6.4	575	38	7.1
	Other income	72	35	40	36	40	40	-	-	40	-	-
	Diocesan Apportionment	28,531	28,802	28,802	28,802	29,188	29,188	-	-	29,930	742	2.5
	Total Income	29,315	29,415	30,002	29,929	30,451	30,903	452	1.5	31,020	569	1.9
	Movement (to)/from reserves	256	316	455	473	297	394	97		58		

Training for Ministry budget (Vote 1)

The Vote 1 budget covers the majority of the costs of training clergy for deployment in the Church of England. It excludes the costs of family maintenance grants which are made by dioceses and in 2014/15 amounted to £5.16 million.

2016 Expenditure:	£13,488,475
<u>Funded via:</u>	
Corporation of the Church House rent relief	£70,000
Bank/Deposit funds interest	£20,000
Diocesan Apportionment	£13,398,475

The scope of the Vote 1 budget

16. The Vote 1 budget covers the tuition costs, university fees, colleges and personal maintenance, book and travel costs of sponsored students prior to ordination.
17. Tuition fees are paid directly to the Theological Education Institutions (“TEIs”) on a fee per student basis. Ordinands may train residentially at a college, non-residentially on a regional course, or non-residentially on a context-based course. Standard amounts are paid for each of these categories, although the fee for any individual ordinand is calculated on a college or course “full-time equivalent” (“FTE”) basis.
18. Normally only ordinands sponsored for incumbent-status ministry may undertake full time residential college training. Means tested maintenance and personal grants are paid from the Vote 1 budget at differential rates depending on the ordinand’s marital status. The sponsoring dioceses meet the additional cost of family support (again means tested) for married students and some supplementary maintenance for single persons whilst at college. This additional expenditure (estimated to be £5.16 million in 2014/15) is pooled and apportioned across the dioceses provided it is in accordance with guidelines issued by the Ministry Division, as explained below. From September 2013, Ministry Division maintenance payments have been paid direct to the colleges, in an attempt to reduce some of their administrative burden of collecting the money from ordinands.
19. Non-residential context-based training is also open only to those candidates sponsored for incumbent-status ministry. Ordinands on these courses are expected to be employed (and remunerated) part time in a church context as part of their training. They are therefore entitled to limited family maintenance from Vote 1 and from their sponsoring dioceses to cover any shortfall between their salary from the context and their agreed family budget. This again is covered by financial guidelines issued by Ministry Division. Diocesan family support made in accordance with the Guidelines is available for pooling.
20. Ordinands training on regional courses are supported with book and travel grants paid from the Vote 1 budget. Ordained Local Ministry (OLM) schemes are now fully incorporated into regional courses for funding purposes.
21. The 2016 budget separately identifies the number (and cost) of ordinands undertaking non-residential context-based courses (often referred to by the more general term “mixed mode”). Previously the budget had included the cost of this form of training within the figures for standard non-residential courses, but the growing popularity of these courses (and their associated cost profile) has started to distort the picture somewhat and thus these have been shown separately.

Resourcing Ministerial Education (RME)

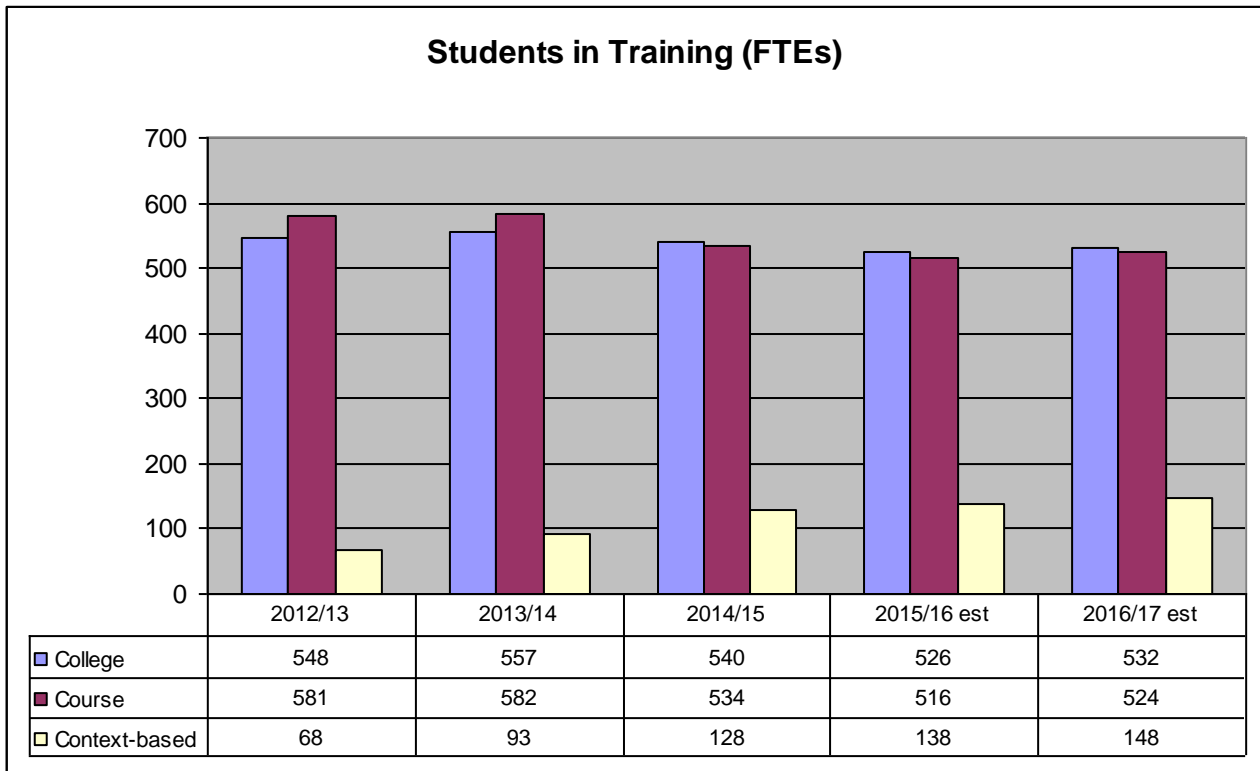
22. The RME review, chaired by the Bishop of Sheffield, has been part of the overall Reform and Renewal programme. Its Task Group reported to the General Synod in February 2015. The Synod agreed that the RME work should progress to the next stage of developing proposals for decision. The proposals include finding ways to increase the number of candidates for ministry by 50% by 2020 in order to meet diocesan requirements, and the review of selection criteria and procedures. There will be further reports to the Archbishops' Council and the House of Bishops later in the year prior to a further report to Synod in February 2016. The RME proposals do have the potential to make a major impact on the Church's spending on ministerial education although this is unlikely to have a significant impact on the budget until 2017. To help encourage an increase in ordinands the Council has formally agreed to abandon the cap on numbers introduced some years ago (although in fact this arrangement did not result in the training of any ordinand being deferred) as this would be incompatible with the objective to increase the number of candidates for ministry.

Common Awards

23. The first courses to be taught under Common Awards, validated by Durham University, commenced in September 2014. Students already in training at September 2014 had the opportunity to transfer to Common Awards if meeting certain accredited prior learning criteria, and it is expected that by September 2016 all ordinands will be studying under Common Awards unless following a recognised excepted pathway.
24. It is expected that Common Awards will provide significant cost benefits once fully operational. A reduction of the order of £148,000 between the 2014/15 academic year and 2015/16 has been anticipated and further reduction forecast between 2015/16 and 2016/17.

Methodology used in drawing up the training budget

25. In order to prepare the training budget it is necessary to estimate the numbers entering training at the start of the next two academic years and the training pathways they will follow.
26. Recommended candidates may enter training in September provided they attend a Bishops Advisory Panel (BAP) by 30th June of that year.
27. Analysis of full-time equivalent (FTE) students in training in recent years is shown in the following chart.



Course numbers do not include those candidates undertaking diocesan pre-theological training. There are at present 12 students in this category it is expected that there will be a similar number in each of the two forthcoming academic years.

Costs

28. The cost of training is based on the average cost for each type of training in the previous academic year adjusted for expected cost increases. The following assumptions have been made in arriving at the 2016 budget:

- Tuition costs are expected to increase by 2.05% for colleges and by 1.7% for courses and non-residential context-based training in 2015/16. These projections take account of the increase in the National Stipend Benchmark of 2.0% from April 2015 and an estimated 2.0% from April 2016. This increase has also had to take into account a proportion of the significant increase in pension contributions (from 38.2% to 39.9%) which have applied from January 2015.
- Maintenance grants and allowances to students are expected to increase by 1.5% p.a. in both 2015/16 and 2016/17 as an inflationary increase.
- Pre-theological education costs are projected to remain stable at around £5,600 per annum.
- Demand for special grants – specifically in relation to support for dyslexic and disabled students – has shown large recent increases, partly related to reduction in public funding. This is reflected in the budget, which has included an additional £26,000 under this heading in 2016 compared to the 2015 budget.
- As noted earlier, University fees are expected to reduce in 2015/16 and 2016/17 as increasing numbers of students begin or transfer to Common Awards.

29. The budgeted average annual cost per ordinand to Vote 1 in 2015 /16 of the different types of training are shown in the following table:

	Course (£)	Non-residential context-based (£)	Residential (£)
Tuition fees	5,736	6,883	8,266
University fees	271	686	1,526 ²
Maintenance grants and allowances	746	2,215	6,557 ³
Total	6,753	9,784	16,349

30. It should be noted that the figures in the above table are based on averages and standard payments across the entire cohort of ordinands. The funding made available to or on behalf of any individual ordinand may vary from these figures depending on personal circumstances, although tuition fees are fixed.

31. The length of college training may be 2 or 3 years – the average being 2.5 years. Thus the average total training costs to Vote 1 of college-based students is £40,872 based on current costs. An additional average sum of £12,600 per annum⁴ is paid by sponsoring dioceses in poolable Additional Maintenance Grants for married ordinands. An additional average sum of £1,400 per annum⁵ is payable by sponsoring dioceses in poolable Additional Maintenance Grants for single ordinands.

32. In comparison, the average length of non-residential context-based training is 2.7 years, and the average total training cost borne by Vote 1 is therefore £26,417.

33. The average length of regional course training is currently 2.7 years; the average total training costs borne by Vote 1 is £18,233.

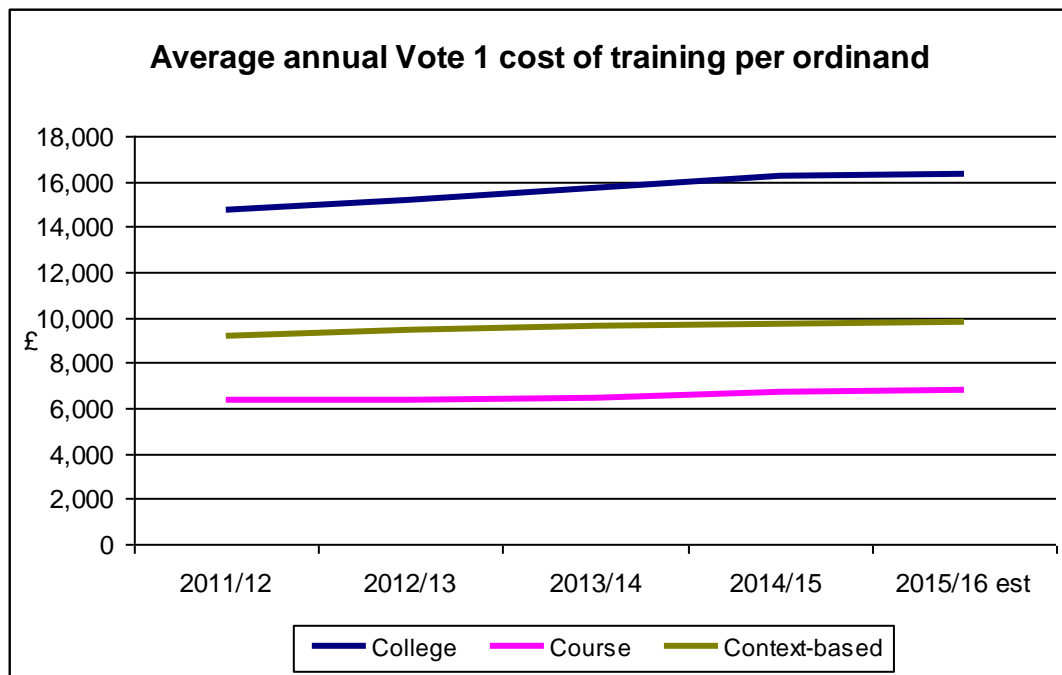
34. The comparative annual training costs to Vote 1 of different types of training over a five year period are shown in the graph below. (It should be noted that married ordinands in college training do in most cases also receive a diocesan family maintenance grant: the average levels for 2014/15 are given above).

² This figure includes fees for recognised high-cost pathways, which may be up to £4,500 per ordinand per year

³ This is a composite figure - single and married ordinands receive maintenance grants at differential rates

⁴ £12,600 represents the average paid by dioceses by way of additional maintenance grants for married ordinands in respect of the 2014/15 academic year

⁵ £1,400 represents the average paid by dioceses by way of additional maintenance grants for single ordinands in respect of the 2014/15 academic year



35. It is important to note that the above chart shows arithmetic averages only. The cost of individual students can be significantly higher or lower depending on marital status, the level of university fees and other factors.
36. The flattening of the curve in 2015/16 is due to the impact of the Common Awards reducing university fees.

University Fees

Taught pathways

37. A small number of ordinands are enrolled directly as students of a university as part of their training and receive part or all of their teaching directly from the university - either by its own staff or college staff in their roles as university staff. The fees charged by the universities in respect of students following these pathways have risen in line with the general rise in tuition fees (for some pathways more than doubling the costs to the Church). However in most cases there is a partial flow back of fees from the university to the training institution in recognition of the amount of teaching done by the college's own staff.
38. The costs are uneven across the sector – many, but not all, universities are charging the maximum £9,000 per student per year. The Sheffield Report recommended that from September 2012 the payment of university tuition fees be capped at 50% of the maximum chargeable, thereby limiting the amount payable from Vote 1 to £4,500 per ordinand. This has meant that for some pathways Vote 1 does not cover the entire tuition cost, and we are very grateful to an external charity that is funding the shortfall between the fee chargeable and the Vote 1 contribution, thus enabling ordinands to study on these pathways.

Validated pathways

39. The majority of ordinands are enrolled in courses which are validated rather than taught by a university. From September 2014 the first ordinands began to follow a course of study validated by Durham University under the Common Awards scheme. The financial model under which Common Awards operates is as follows:
- A flat-rate validation fee of £340,000 per annum
 - An annual fee per Centre (i.e. an individual TEI or group of TEIs acting in co-operation) of £5,000
 - A per capita fee of £70 per annum
40. Due to the very high proportion of fixed costs, there is a significant incentive to make the Common Awards widely accessible to as great a variety of students as possible.
41. Nevertheless, it is recognised that in the academic years 2014/15 and 2015/16, some ordinands will continue to study on courses which are validated by pre-existing partner universities.

Deployment of Ordinands into training posts

42. The numbers deployed into training posts in 2014 are set out below. It has always been expected that the vast majority of candidates trained for stipendiary ministry will find suitable training posts.

	Deployment to Title Posts
	<u>2014</u>
Stipendiary*	295
Self-Supporting & OLM	194

* reflects some candidates deferring from earlier years

43. Forecasts still show a steep decline (given present trends) in the number of stipendiary clergy in the next 10 years. Work is actively underway through the Reform and Renewal consultancy visits to dioceses and in the Ministry Council's Deployment Task Group to better assess workforce needs and the best combination of lay, ordained, paid and self-supporting ministries. It is clear in all of this work that investment on the training of priests remains a strategic priority.

Vote 1 Budget

GS1959 Budget 2015		Academic Year 2014/15	Revised Forecast 2015	Academic Year 2015/16	Draft Budget 2016	Academic Year 2016/17
£		£	£	£	£	£
	TUITION COSTS					
4,408,900	Colleges	4,374,000	4,365,305	4,347,916	4,393,885	4,485,824
3,124,700	Courses	3,010,688	2,993,718	2,959,776	2,995,159	3,065,924
773,000	Context-based	866,304	894,154	949,854	979,605	1,039,108
5,560	Pre Theological Education	5,514	5,249	5,598	5,635	5,710
8,312,160		8,256,506	8,258,426	8,263,144	8,374,284	8,596,666
	UNIVERSITY FEES					
823,770	Colleges	925,560	864,118	802,676	756,980	711,284
148,775	Courses	162,278	151,057	139,836	132,274	124,712
78,465	Context-based	98,688	96,678	94,668	91,808	88,948
1,051,010		1,186,526	1,111,853	1,037,180	981,062	924,944
	ORDINAND ALLOWANCES AND MAINTENANCE					
3,517,900	Colleges	3,488,940	3,475,621	3,488,982	3,485,327	3,558,016
407,700	Courses	392,350	389,879	384,936	389,545	398,764
249,300	Context-based	279,296	288,087	305,670	315,224	334,332
57,900	Disability/Dyslexia/Other Grants	57,400	66,116	83,548	84,005	84,919
4,232,800		4,179,246	4,219,703	4,223,136	4,274,101	4,376,031
-158,300	LEA and self-funded adjustments	-155,421	-150,041	-139,281	-140,972	-144,353
£13,437,670	TOTAL VOTE 1 EXPENDITURE	£13,505,598	£13,439,941	£13,384,179	£13,488,475	£13,753,188

Details of tuition grants paid to Courses and Context-based schemes in the academic year 2014/15

College	College FTE Ordinands	Total Tuition Funding £
Cranmer Hall Durham	73.66	596,646
Mirfield	31.30	253,530
Oak Hill	43.00	348,300
Queen's College Birmingham	21.50	174,150
Ridley Hall Cambridge	65.00	526,500
Ripon College Cuddeston	60.30	488,430
St John's College Nottingham	44.00	356,400
St Stephen's House Oxford	33.30	269,730
Trinity College Bristol	48.00	388,800
Westcott House Cambridge	73.70	596,970
Wycliffe Hall Oxford	46.00	372,600
Other	0.24	1,944
	540.00	4,374,000

Total maintenance fees and personal grants paid to residential students in 2014/15 was £3,413,600

Total university fees paid in respect of ordinands following course based training and context-based schemes in 2014/15 is estimated to be £925,500

Details of tuition grants paid to Courses and Context-based schemes in the academic year 2014/15

Course	Course FTE Ordinands	Context- based scheme	Total Tuition Funding £
Bristol OLM Pathway (based at Trinity College)	9.00		50,760
Lincoln School of Theology	11.00		62,040
Eastern Region Ministry Course	57.00		321,480
Lancs and Cumbria Training Partnership	10.00		56,400
Lindisfarne RTP	18.00		101,520
St Mellitus College *	62.00	106.80	1,072,502
Oxford Ministry Course	48.00	5.00	305,970
All Saints (SNWTP)	55.00		310,200
South Central Regional Training Partnership	14.40		81,216
Southern Theological Education and Training Scheme	36.50		205,860
South East Institute for Theological Education	55.00		310,200
South West Ministerial Training Scheme	28.00		157,920
Queen's Foundation (Course)	38.00		214,320
West of England Ministerial Training Course (WEMTC)**	17.25		97,290
Yorkshire Ministry Course	54.66	14.00	403,034
Wycliffe Hall p/t pathway	1.00	2.00	19,176
St John's College Nottingham p/t pathway	16.00		90,240
St Stephen's House p/t pathway	3.00		16,920
	533.81	127.80	3,877,048

* incorporating North Thames Ministerial Training Course

** WEMTC is now incorporated into the Oxford Ministry Course

Total travel and book grants paid to ordinands on regional courses & context-based schemes in 2014/15 is estimated to be £591,700

Total university fees paid in respect of ordinands following course based training and context-based schemes in 2014/15 is estimated to be £259,808

Pooling of additional maintenance grants for students

44. In addition to the basic maintenance provided from Vote 1, married students and some single students are supported by additional payments from their sponsoring diocese. If additional payments are made following the guidelines issued by the Ministry Division then the cost is pooled amongst all dioceses and shared in accordance with the apportionment formula that includes an element of mutual support.
45. In July 2011, the General Synod accepted the recommendation to “limit the pooling of maintenance costs for candidates to those candidates who can be ordained by the time they are 50 years of age having completed their normal training”. This new policy came into effect in September 2012.
46. The pooling of additional maintenance grants was further changed in 2011, moving to an academic year basis from a calendar year basis - 2011 representing the transitional year to the new arrangement. Pooled expenditure in the 2014/15 academic year, reflected in the apportionment for 2016, is £5.16 million (including the adjustment in respect of the previous year). The pooling adjustment will continue to be made alongside the apportionment for administrative convenience.

POOLING TOTALS 1.9.2014 TO 31.8.2015

	DIOCESE	Married	Unmarried	Adjust *	2014/15 Total
1	Bath & Wells	29,601	3,000	5,469	38,070
2	Birmingham	146,426	-	10,875	157,301
3	Blackburn	72,636	4,500	(16,421)	60,715
4	Bradford	97,353	4,500	586	102,439
5	Bristol	85,203	4,375	-	89,578
6	Canterbury	31,562	3,000	(9,380)	25,182
7	Carlisle	42,514	5,484	-	47,998
8	Chelmsford	214,126	10,500	(10,881)	213,745
9	Chester	126,974	1,455	(4,893)	123,536
10	Chichester	217,872	7,500	2,883	228,255
11	Coventry	44,648	5,770	-	50,418
12	Derby	74,436	4,500	(4,070)	74,866
13	Durham	75,405	4,160	(1,000)	78,565
14	Ely	273,414	9,000	15,787	298,201
15	Exeter	42,211	4,182	-	46,393
16	Gloucester	110,004	1,500	3,385	114,889
17	Guildford	139,675	13,270	(9,431)	143,514
18	Hereford	36,314	3,000	711	40,025
19	Leicester	47,982	3,000	-	50,982
20	Lichfield	88,943	12,000	(18,325)	82,618
21	Lincoln	1,544	3,000	(20)	4,524
22	Liverpool	65,827	6,000	-	71,827
23	London	655,717	40,353	(725)	695,345
24	Manchester	145,011	8,371	(20,493)	132,889
25	Newcastle	34,967	7,500	-	42,467
26	Norwich	14,190	7,500	(2,100)	19,590
27	Oxford	287,360	8,742	22,793	318,895
28	Peterborough	101,705	6,000	-	107,705
29	Portsmouth	72,370	1,500	(7,182)	66,688
30	Ripon	44,319	4,500	-	48,819
31	Rochester	139,958	4,500	11,709	156,167
32	St Albans	104,210	13,740	7,704	125,654
33	St Edmundsbury & Ipswich	40,030	-	-	40,030
34	Salisbury	96,034	6,000	-	102,034
35	Sheffield	69,835	4,067	1,567	75,469
36	Sodor & Man	-	-	-	-
37	Southwark	222,656	12,000	-	234,656
38	Southwell	165,930	3,529	3,224	172,683
39	Truro	62,854	17,563	-	80,417
40	Wakefield	53,438	-	1,566	55,004
41	Winchester	209,505	3,000	5,581	218,086
42	Worcester	34,350	3,000	(20)	37,330
43	York	172,912	27,000	4,227	204,139
44	Europe	22,895	4,500	-	27,395
45	Armed Forces	18,921	4,560	-	23,481
	Life assurance	32,126	-	-	32,126
	TOTAL	4,865,963	301,621	(6,874)	5,160,710

* Adjust shows the difference between estimated and actual expenditure for 2013/14

National Church Responsibilities (Vote 2)

This budget covers the costs of work in support of the Church's ministry and mission to the nation that needs to be undertaken, or is most effectively and / or efficiently carried out, at national level.

2016 expected Expenditure: £12,153,987

Church Commissioner funding: £984,367

2016 net Expenditure: £11,169,620

Funded via:

Council Restricted/Designated Funds £474,160

Corporation of the Church House rent relief £505,000

Bank/Deposit funds interest £20,000

Vote 2 reserves £57,705

Diocesan Apportionment: £10,112,755

47. The work carried out under Vote 2 in 2016 will continue to be shaped by the three priorities, originally adopted for the lifetime of the 2011-2015 General Synod, considered to provide the compass by which the Council's work will be steered over the coming years:
- Contributing as the national Church to the common good;
 - Facilitating the growth of the Church; and
 - Re-imagining the Church's ministry.
48. The Council has adopted a business planning approach in which objectives for 2016 will be set in the Autumn. The current priorities of each of the divisions are summarised in the following section.
49. An analysis of net cost of the individual departments that are supported via Vote 2 is available to General Synod members upon request to Simon Florence (Senior Management Accountant, simon.florence@churchofengland.org) or David White (Head of Financial Policy & Planning, david.white@churchofengland.org).
50. As noted earlier the Church Commissioners have agreed to use their share of Church House rent relief to help reduce pressure on dioceses as a result of the increase in safeguarding costs. In 2016, as in previous years, they will also provide financial support for other work carried out in Council departments including the Statutory Advisory Committee (which provides independent advice on heritage matters relating to closed and closing churches), the Clergy Appointments Adviser and the Parliamentary Unit.

Vote 2 summary						
	Actual 2014 £	GS1959 Budget 2015 £	Forecast 2015 £	Budget 2016 £	Inc/(Dec) Bud 2016 vs 2015 Bud £ %	
National Church Responsibilities						
Expenditure						
AC main divisions						
Central Secretariat	2,097,827	2,075,933	2,063,336	2,179,647	103,714	5.0
Ministry Division	1,638,209	1,589,900	1,610,873	1,601,528	11,628	0.7
Education	602,844	685,438	664,523	633,206	(52,232)	(7.6)
Mission & Public Affairs	1,224,646	1,367,393	1,331,326	1,316,370	(51,023)	(3.7)
Cathedral & Church Buildings	870,421	908,608	887,224	858,170	(50,438)	(5.6)
Projects & Development	400,504	376,008	345,113	271,113	(104,894)	(27.9)
Shared Services costs						
AC managed depts						
Communications	344,415	414,274	404,242	410,329	(3,945)	(1.0)
Human Resources	349,303	377,051	406,624	409,888	32,838	8.7
Legal	685,548	674,940	667,166	674,856	(84)	(0.0)
PB managed dept						
Risk Management & Internal Audit	70,881	77,168	68,856	68,889	(8,279)	(10.7)
CC managed depts						
Finance & Resources	833,671	847,834	860,376	892,800	44,966	5.3
Records	203,117	210,591	233,290	247,061	36,470	17.3
Office Services	124,817	126,666	147,228	149,920	23,254	18.4
IT	377,328	393,323	401,581	394,629	1,306	0.3
Projects						
IT Infrastructure Project	136,064	50,000	248,075	-	(50,000)	(100.0)
CRM System	8,758	-	106,667	-	-	n/a
C-of-E Website	-	-	107,200	-	-	n/a
Other National Support costs						
CHP (incl Crockfords)	(14,221)	(23,848)	2,158	(5,132)	18,716	(78.5)
Accommodation	1,070,826	1,137,077	1,127,969	1,158,994	21,917	1.9
Depreciation	33,335	33,335	33,335	33,335	-	-
Vacancy Provision	-	(300,000)	(185,000)	(225,985)	74,015	(24.7)
Contingency	61,499	100,000	100,000	100,000	-	-
TOTAL V2 Expenditure	11,119,790	11,121,689	11,632,161	11,169,620	47,930	0.4
Income						
Diocesan Contributions						
	(9,897,000)	(9,897,000)	(9,897,000)	(10,112,755)	(215,755)	2.2
AC Funds Transfers						
Church & Community Fund Grant	(225,499)	(225,000)	(225,000)	(225,000)	-	-
Other Restricted Funds	(282,873)	(166,964)	(202,152)	(152,160)	14,804	(8.9)
Unrestricted Legacies (Des) Fund	(224,679)	(201,000)	(171,000)	(97,000)	104,000	(51.7)
CH Planned Maint (Des) Fund	(144,822)	(50,000)	(461,942)	-	50,000	(100.0)
GS Sundry (Des) Fund	(94,500)	(43,000)	(43,000)	-	43,000	(100.0)
Total AC Funds Transfers	(972,372)	(685,964)	(1,103,094)	(474,160)	211,804	(30.9)
Rent Relief - General Provision						
Safeguarding		(72,000)	(106,500)	(295,000)	(78,000)	108.3
Evangelism Task Group		(6,000)	(6,000)	-	6,000	(100.0)
Young Vocations		(60,000)	(60,000)	(60,000)	-	-
Church Schools Leadership Framework		(15,000)	(15,000)	-	15,000	(100.0)
Statistical Researcher (R&S)		(37,000)	(37,000)	-	37,000	(100.0)
Online Faculty system - Proj Mgt		(32,000)	(32,000)	-	32,000	(100.0)
TOTAL Corp CH Rent Relief		(222,000)	(256,500)	(505,000)	(283,000)	127.5
Other						
Bank Interest / Deposit Funds / Other	(24,281)	(20,000)	(20,000)	(20,000)	-	-
Total 'Other'	(24,281)	(20,000)	(20,000)	(20,000)	-	-
TOTAL V2 Income	(10,893,653)	(10,824,964)	(11,276,594)	(11,111,915)	(286,951)	2.7
Movement (to)/from Reserves	226,138	296,726	355,567	57,705	(239,021)	

Central Secretariat

(including the Office of the Secretary General)

Secretary General	William Fittall
Director	Jacqui Phillips
Staff (FTE)	29.4
2016 Net Expenditure	2,179,647
Funded via:	
Corporation of Church House rent relief	150,000
Vote 2	2,029,647

51. Central Secretariat includes the Synod Office, the Dioceses and Liturgical Commissions, the Safeguarding team, the Council for Christian Unity, Research & Statistics and the office of the Secretary General of the Archbishops' Council. Its current priorities include:

- Ensuring efficient process for the Archbishops' Council, General Synod, the House of Bishops and associated Synodical bodies and groupings.
- Developing national safeguarding policies and practice guidance, training and audit processes and offering safeguarding advice to support the safeguarding activities of the Church of England's dioceses and parishes.
- Provision of statistics and management information to support the strategy and planning of the National Church and the dioceses.
- Servicing the Church of England's national ecumenical relations, including supporting the Archbishop of Canterbury's ecumenical role and the work of the Council for Christian Unity
- Providing theological advice for the House of Bishops and servicing the work of the Faith and Order Commission.
- Supporting the work of the Dioceses Commission and Liturgical Commission.

Ministry Division

Chair (of Ministry Council)	The Rt Revd Steven Croft, Bishop of Sheffield
Director	Ven Julian Hubbard
Staff (FTE)	24.6
2016 Net Expenditure	1,601,528
Funded via:	
Archbishops' Council Restricted Funds	80,473
Archbishops' Council Designated Funds	5,362
Corporation of Church House rent relief	60,000
Vote 2	1,455,692

52. The work of the Ministry Division is in four areas:

- Discipleship and Vocation
- Formation, including selection and initial ministerial education
- Ministry Development, providing advice and consultancy on lay and ordained ministry.
- Finance, administering the budget for initial ministerial training .

53. The Division has five priority areas of work under the Transforming Ministry vision

- Deepening the engagement of lay members.
- Increasing diocesan strategic capacity.
- Encouraging vocation.
- Developing initial ministerial education.
- Creating a step-change in Continuing Ministerial Development (CMD).

54. The main objectives are:

- To find ways to increase the number of candidates for ministry by 50% by 2020 in order to meet diocesan requirements
- To develop the effectiveness of the Durham Common Awards for ministerial education and wider learning, including lay learners and lay ministers in dioceses.
- To establish a new stream of work to support dioceses in encouraging discipleship and the vocation of all members of the church
- To provide data and information about good practice in ministry development and deployment for dioceses, particularly for encouraging lay ministry and leadership
- To ensure that any new funding arrangements arising out of the Resourcing Ministerial Education review are communicated and implemented successfully and that dioceses and theological education institutions are supported during a period of transition

Education

Chair (of National Society)	The Rt Revd Stephen Conway, Bishop of Ely
Director	Revd Nigel Genders
Staff (FTE)	7.6
2016 Net Expenditure	633,206
Funded via:	
Archbishops' Council Restricted Funds	3,052
Vote 2	630,154

55. The work of the Church of England Education Office is to:

- Offer a compelling vision for the transformative purpose of lifelong education (both statutory and voluntary) in the mission of the Church of England, with a focus on wisdom for living and the spiritual, intellectual and emotional development that leads to the flourishing of every person.
- Speak confidently on behalf of the church in the public sphere, offering advocacy and challenge across the breadth of education issues for all ages.
- Engage with Parliament and work with the government departments to shape and respond to policy and practice to ensure that public debate recognises the true value of education.
- Equip parishes, dioceses and schools to lead debate in their local context.

56. Current priorities include:

- Ensuring that the voice of children and young people is heard by the Church and public debate, through: research; listening; participation; developing strategies and offering resources.
- Developing national policy and leadership in relation to:
 - The experience of worship with children and young people and through the Intergenerational Church
 - Informal, non-statutory education for all ages
 - Further Education and the importance of spirituality and issues of faith and belief within the sector
 - Higher Education, with a specific focus on Anglican identity in Anglican HEIs
 - The role of chaplains in schools, colleges and HE institutions
 - Statutory education
- Securing the future for Church of England schools in order to ensure a strong platform from which to contribute to the Church's wider engagement with all schools.
- Developing the capacity of the Church's movement for education by:
 - Sustaining the entire network (human and institutional) and clarifying the role of National / Diocesan networks
 - Developing a Church of England Institute of Teaching and Educational Leadership
 - Ensuring effective engagement between 'education' and the wider Church of England at national, diocesan and parish level

Mission & Public Affairs (MPA) Division

Chair (of MPA Council)	Philip Fletcher
Director	Revd Dr Malcolm Brown
Staff (FTE)	16.8
2016 Net Expenditure	1,316,370
Funded via:	
Archbishops' Council Restricted Funds	46,010
Vote 2	1,270,360

57. The Division delivers public advocacy and apologetics in public life where the Church's national voice must be articulated. MPA gives direct support the work of dioceses and parishes in mission. MPA staff bring expertise across a wide range of issues including home affairs; economics; international and development affairs; marriage, family and sexuality issues; medical ethics and social care policy, minority ethnic Anglican issues, mission and evangelism at home and globally; rural, community and urban affairs.

58. MPA's priorities for 2016 include:

- Continue to support and resource the Lords Spiritual, including induction for new Lords Spiritual, briefing on Bills, building Parliamentary relationships (in particular with a new government) and setting up clusters around key issues.
- Engage with consultations on government policy, especially in areas such as marriage, children and families, welfare, poverty, medical and financial ethics etc., to articulate a Christian perspective on social issues and influence policy.
- Design and implement the next phase of the Archbishop of Canterbury's programme on responsible credit and savings, within the Church and across the finance sector.
- Work in partnership with the Evangelism Task Group, the Fresh Expressions working group and the ecumenical FX Team to deliver initiatives and new thinking in evangelism and church growth.
- Support parishes where Christians are a religious minority, through the Presence and Engagement and "Near Neighbours" programmes, securing on-going government support for the latter.
- Provide two vocations conferences and other resource materials for Black and Minority Ethnic candidates, in partnership with Ministry Division.
- Develop and extend the "AMEN CofE" web network for Black and Minority Ethnic Anglican clergy and ordinands.
- Implement the recommendations of the "Released for Mission" report on growth in rural multi-parish benefices, working with (e.g.) the Simplification Task Group to maximise the potential of the rural parish.
- Continue to support the process of Facilitated Conversations and begin work on the next steps toward securing "good disagreement".

Cathedral & Church Buildings (CCB) Division

Chair	The Rt Revd Richard Chartres, Bishop of London
Director	Janet Gough
Staff (FTE)	13.8
2016 Net Expenditure	858,170
Funded via:	
Archbishops' Council Restricted Funds	17,263
Vote 2	840,908

59. The main areas of the division work can be summarised as follows:

- Influencing government, church, and other stakeholders, on all matters relating to church buildings and cathedrals.
- Providing advice and training to the wider Church in relation to its built heritage to show the benefit of effective building management to mission and growth.
- Raising funds for the care of church buildings and cathedrals.

60. Current priorities include:

- Campaigning to ensure long-term funding for church buildings, especially from Government/Heritage Lottery Fund.
- Mitigation of the impact of HS2 on parish churches and their communities.
- Simplification of the faculty system, for the benefit of parishes and delivering the online faculty system and national church heritage record.
- To deepen relationships with the dioceses to encourage the efficient and effective operation of Diocesan Advisory Committees and Fabric Advisory Committees.
- To provide expert advice and decisions relating to the Church's built heritage through the Cathedrals Fabric Commission, the Church Buildings Council.
- To promote good practice to help keep churches open and sustainable, and support churches undertaking significant developments. The development of templates to encourage greater community use of church buildings.
- Supporting the church building review to simplify central administration and develop wider options for the ownership and management of church buildings.
- With MPA, develop the Shrinking of the Footprint campaign and support the Environmental Working Group to raise awareness / promote environmental responsibility.
- To promote the new ChurchDays website to encourage visits to churches. To improve the visitor experience across all our church buildings, including tourist cycle routes of churches starting in cathedral cities and promoting Director's Choice, *The Cathedrals of England*
- Supporting parishes and dioceses with the £55m roofs fund and funding programmes for and effective use of the Division's grants programme.
- Delivery of the £20m First World War Centenary Cathedral Repairs Fund.

Projects & Development

Chair (of Project Reference Group)	Philip Fletcher
Head	Revd Dr Sandra Millar
Staff (FTE)	2.0
2016 Net Expenditure	271,113
Funded via:	
Archbishops' Council Restricted Funds	97,000
Vote 2	174,113

61. The main area of focus will be the dissemination of the Baptism and Funeral research and resources to all Dioceses, and continuing support to parishes and public around wedding ministry. We are also engaging widely in the funerals industry nationally and developing tools to ensure that key messages will be embedded into parish practice and the resources to help support the Church's ministry around weddings, funerals and the baptism of a child are effective and sustainable.

Church House Publishing (incl Crockfords)

Head	Thomas Allain-Chapman
Staff (FTE)	3.8
CHP Trading Surplus & Other Income	(187,480)
CHP Admin Expenditure	131,141
Crockfords Admin Expenditure	50,814
2016 Net Surplus	(5,525)
Funded via:	
Vote 2	(5,525)

62. Current priorities for Church House Publishing (CHP) include building on the successful completion of the Pilgrim course and publishing a range of resources to support the national roll-out of the Funerals & Christenings Projects, including GraveTalk conversation cards (May). Alongside this, further expansion of CHP's app programme (which saw 50,000 downloads in 2015 alone) is planned, the launch of the new Crockford Online service in May 2015 and a digital version of the Church of England Year Book in time for 2016.

Communications

Director	Revd Arun Arora
Staff (FTE)	10.3
2016 Net Expenditure	834,786
Funded via:	
Church Commissioners	311,207
Church of England Pensions Board	113,250
Archbishops' Council via Vote 2	410,329

63. Current priorities include:

- Delivering and implementing media strategies for each of the NCIs on a pro-active and cross platform multimedia basis.
- Leading on communications issues around safeguarding and supporting diocesan communicators across a wide range of issues. Resourcing diocesan communication officers through the provision of a new digital gateway and handbook promoting resources, best practice and advice across a wide range of issues. Organising and delivering network and training days and annual conference
- Review, design and deliver new Church of England website and intranet for the National Church Institutions (NCIs). Streaming and live social media reporting of meetings of General Synod.
- Weekly podcast promoting stories from across the Church of England accessed via itunes and digital subscription.
- Delivery of over 40 communication courses on an open basis covering a wide range of communication needs. Organisation and delivery of bespoke communication courses to dioceses and theological training courses. Media training to all newly appointed Diocesan and Suffragan Bishops.
- Daily production (including weekends) of Daily Media Digest and monthly In Review for dioceses and churches and In Focus for parish magazines.

Human Resources (HR)

Chair (of Joint Employment & Common Services Board)	Canon John Spence
Chair (of Remuneration & Conditions of Service Committee)	The Rt Revd David Walker, Bishop of Manchester
Director	Hannah Foster
Staff (FTE)	13.0
2016 Net Expenditure	891,820
Funded via:	
Church Commissioners	282,292
Church of England Pensions Board	199,640
Archbishops' Council via Vote 2	409,888

64. HR's main functions can be described as promoting learning and organisational development; resourcing, relations and remuneration (including promotion of equality and diversity) and clergy terms of service.

65. Current priorities include:

- Assist dioceses to improve diocesan governance arrangements in relation to resource and people management (with the Archbishop's Adviser for Bishops Ministry and Legal Office).
- Building Recruitment Expertise to reduce overall costs on recruitment and understand digital capability in enabling recruitment campaigns
- Launch an HR intranet and provide development support to Diocesan HR Advisers to enable sharing of policy, procedure and best practise.
- Continue to improve the performance of the Remuneration and Conditions of Service Committee (RACSC) as a body which can deliver change in relation to clergy by helping to support Ministry Council strategy for Re-imagining Ministry.
- Support consultation on Reform and Renewal with Dioceses, particularly in relation to areas of the programme that impact people and organisation.
- Continue to support dioceses with common tenure issues including review, with Legal Office, of compensation arrangements regulation 29 and its effectiveness in relation to 'interim posts'.
- Continue to support the various NCI functions in their strategic aims through the development of effective HR solutions

Legal Office

Director	Stephen Slack
Staff (FTE)	12.2
2016 Net Expenditure	1,226,442
Funded via:	
Church Commissioners	539,214
Church of England Pensions Board	12,372
Archbishops' Council via Vote 2	674,856

66. The Legal Office's main functions can be summarised as supporting the legislative and other functions of the General Synod, undertaking advisory work and some property-related work for the NCIs and discharging the central Church functions in relation to clergy discipline.

67. In more detail, this involves:

- Supporting the development of proposals for legislative change, preparing draft legislation to give effect to them and supporting the progress of the legislation through the Synodical and (where required) Parliamentary stages.
- Working with the Central Secretariat to service groups of sessions of the General Synod, especially by ensuring their procedural integrity.
- Providing legal advice to the House of Bishops and its committees, the committees and commissions of the General Synod, the NCI trustee bodies and their committees and providing general advice on legal issues to dioceses, registrars and others.
- Undertaking transactional property work, providing property-related advice and supporting the Church Commissioners' 'terrier project'.
- Supporting the role of the Designated Officer under the Clergy Discipline Measure 2003, the work of the Clergy Discipline Commission and the work of the President and Deputy President of Tribunals.

68. Current priorities of the Legal Office include:

- Supporting the legislative aspects of the Reform and Renewal Programme, including by the development of the proposals for a new 'Enabling Measure'.
- Securing Final Approval for the current legislation on safeguarding and clergy discipline and subsequently supporting its implementation.
- Advising on updated guidance on safeguarding by the national Safeguarding Team.
- Supporting the simplification of the faculty jurisdiction, including by the enactment of new Faculty Jurisdiction Rules.

Risk Management & Internal Audit

Chair (of Archbishops' Council Audit Committee)	Mary Chapman
Head	Michael Cole
Staff (FTE)	3.0
2016 Net Expenditure	417,714
Funded via:	
Church Commissioners	226,357
Church of England Pensions Board	122,469
Archbishops' Council via Vote 2	68,889

69. In addition to servicing the NCIs' Audit Committees, the department will work with senior management, staff and trustees to deliver risk management and assurance services by:

- Assisting risk owners to regularly review and update operational risk registers for each area.
- Continuing to develop, maintain and monitor the strategic risk registers for each NCI.
- Providing regular risk reporting to the respective management groups, audit committees, relevant board sub committees and the trustee bodies to allow them to discharge their respective responsibilities around risk management.
- Continuing to deliver an efficient and effective internal audit function which meets the assurance needs of the Trustee bodies and management.
- Ensuring prompt follow up of recommendations and management actions.

Finance & Resources

Director	Ian Theodoreson
Staff (FTE)	59.9
2016 Net Expenditure	3,757,770
Funded via:	
Church Commissioners	1,962,805
Church of England Pensions Board	902,165
Archbishops' Council via Vote 2	892,800

70. The Division comprises five main sections. Accounting Services (including Payroll), Resource Strategy and Development, Financial Policy and Planning, Stewardship and Systems Support.

71. Current priorities include:

- Support the roll out of the Reform and Renewal programme across dioceses and support the Pensions Board in raising new finance for the CHARM scheme (Clergy housing in retirement).
- Develop new stewardship programmes to support dioceses and parishes in income generation including speeding up the roll out of the Parish Giving Scheme to help improve robustness of parish and diocesan finances
- Further expand the Parish Buying programme to enable Parishes, Church schools and other Church organisations procure services more effectively.
- Provision of consultancy services to dioceses.
- Develop the assessment of financial health of dioceses and other key church bodies, provides indicators with comparative information.

Records

Director	Declan Kelly
Staff (FTE)	10.4
2016 Net Expenditure	886,091
Funded via:	
Church Commissioners	579,165
Church of England Pensions Board	59,865
Archbishops' Council via Vote 2	247,061

72. The Records Centre will support the efficient management of the NCIs' records in both paper and electronic forms. It will:

- Increase archival cataloguing, working on the NCIs' common archival catalogue.
- Continue the appraisal of un-appraised material.
- Continue to deliver archival and records management advice and support to the wider Church through records management guides, factsheets and training to clergy, diocesan and episcopal staff.
- Start to address digital archiving as and when resources allow.

Office Services

Head	Declan Kelly
Staff (FTE)	7.0
2016 Net Expenditure	312,995
Funded via:	
Church Commissioners	134,183
Church of England Pensions Board	28,891
Archbishops' Council via Vote 2	149,920

73. Office Services will continue to provide a range of facilities management services including telephony, meeting room stewarding, print room and inter-site van services.

IT

Head	Yasmin Thompson
Staff (FTE)	13.3
2016 Net Expenditure	1,226,497
Funded via:	
Church Commissioners	570,808
Church of England Pensions Board	261,060
Archbishops' Council via Vote 2	394,629

74. In 2014/15 the NCIs carried out a programme of investment in the NCIs' core IT infrastructure. By taking advantage of the flexibility and scalability of cloud-based technology services this will ensure that IT support across the NCIs is cost-efficient and structured to support their current and emerging business needs.
75. An IT governance group is now in place to develop and monitor the NCIs' IT strategy to ensure the on-going technology needs of the NCIs are effectively supported so that they in turn can best support the wider church.

Accommodation

2016 Expenditure due under lease	2,595,000
Funded via:	
Church Commissioners	933,681
Church of England Pensions Board	380,946
Other tenants	121,379
Archbishops' Council via Vote 2	1,158,994
Corporation of Church House rent relief	(1,314,000)

76. Under a lease from the Corporation of the Church House (the Corporation) the Archbishops' Council pays rent and service charge in respect of the area it occupies. The costs of rent and service charge and other building-related costs are shared out according to the space occupied by each tenant of Church House.
77. The Corporation have, as they did for 2015, generously granted the NCIs a lease waiver to cover the £1.3 million rental charge that would otherwise be payable in 2016.
78. In order to mitigate the apportionment increase that the dioceses would otherwise face, the Church Commissioners have agreed to allocate £570,000 from its share of the 2015-2016 rent relief to meet a substantial part of the additional safeguarding costs identified as necessary by the new National Safeguarding Adviser. This assistance was made on condition that future discretionary support from the Church Commissioners for support to dioceses in respect of Bishops' legal costs would be dependent on the diocese having complied with the nationally recommended safeguarding policies and procedures.

Grants and provisions (Vote 3)

This budget is for national Church of England contributions to Anglican Communion and Ecumenical activities, the Legal Costs Fund and other grants including to the Church Urban Fund and Fresh Expressions.

2016 net Expenditure: £1,272,082

Funded via:

Diocesan Apportionment £1,272,082

79. The Inter Anglican Budget is the Church of England's contribution to the Anglican Communion Office (which also provides the secretariat for the Lambeth Conference, the Anglican Consultative Council and the Primates' meetings). Following increases of 4% p.a. in 2009-2013, 3% in 2014 and 2% in 2015, the 2016 grant is budgeted at 1.5% above the 2015 level.
80. The Church of England actively supports, both financially and through involvement in their activities, the home ecumenical instruments of Churches Together in England (CTE) and Churches Together in Britain and Ireland (CTBI), the Conference of European Churches (CEC) and the World Council of Churches (WCC). The Council has decided to maintain grants to these organisations at the 2015 levels.
81. National support, through Vote 3, is also provided to the Church Urban Fund (CUF). The Council's 2016 budget contribution has been held at £203,000 – the same level as in the previous six years.
82. The Council has agreed to make a grant of £40,000 p.a. to the Fresh Expressions charity for a five year period from April 2014. Over this period, a further £50,000 p.a. grant will be provided to Fresh Expressions funded by the Church Commissioners as part of their development funding stream.
83. Recognising that the Legal Costs Fund now holds a balance of almost £1.5 million as a reserve for potential additional costs following the enactment of the Clergy Discipline Measure 2003, the Council's annual contribution towards this Fund is budgeted to be maintained at the 2015 level of £20,000.
84. The Council has two minor grants schemes where modest grants may be made available for a limited period to clergy returning from overseas or clergy between posts on the recommendation of the Clergy Appointments Adviser.
85. The overall impact of the above changes is that total Vote 3 budgeted expenditure for 2016 is 0.6% below the 2015 budget.
86. As the Vote 3 reserve is expected to be close to its target level (the mid-point of its policy range) at the end of 2015, the budget makes provision for all expenditure to be met from the apportionment. As a result of this the increase in apportionment is also 0.6%.

87. The detailed analysis of grants made from Vote 3 is as follows:

	Budget 2014 £	Budget 2015 £	Budget 2016 £
<u>Anglican Communion Activities</u>			
Inter Anglican Budget (Anglican Communion Office)	507,687	517,840	525,608
<u>Ecumenical Activities</u>			
Churches Together in England	245,000	230,000	230,000
World Council of Churches	108,000	108,000	108,000
Conference of European Churches	90,474	90,474	90,474
Churches Together in Britain & Ireland	15,000	15,000	15,000
Expenses of representatives	20,000	20,000	20,000
	<hr/> 478,474	<hr/> 463,474	<hr/> 463,474
<u>Other grants</u>			
Church Urban Fund	203,000	203,000	203,000
Legal Costs Fund	30,000	20,000	20,000
Fresh Expressions	30,000	40,000	40,000
Minor grants	2,632	20,000	20,000
	<hr/> 283,000	<hr/> 283,000	<hr/> 283,000
TOTAL	<hr/> 1,269,161	<hr/> 1,264,314	<hr/> 1,272,082

Mission Agencies Clergy Pension Contributions (Vote 4)

Vote 4 provides funding for the pension contributions in respect of clergy employed by qualifying Partnership in World Mission (PWM) mission agencies. The Council took on financial responsibility for these contributions from the Church Commissioners (who retain the statutory responsibility for the contributions under the Pensions Measure 1997) on a phased basis between 1999 and 2004. This enabled the Commissioners to release a similar sum for parish mission and ministry support grants which would not otherwise be made. This mechanism increases the amount of mutual support flowing from the arrangement between the national Church and the dioceses.

2016 net Expenditure: £787,500

Funded via:

Diocesan Apportionment £787,500

88. The key factors determining the level of Vote 4 are the rate of pension contributions and the number of qualifying clergy employed by the PWM mission agencies. For many years the number of clergy whose pension contributions are funded from Vote 4 had been declining (from 128 in 2004 to a low point of 78 in early 2012) but this trend reversed in mid-2012 and across the past three years the average number of qualifying clergy has ranged between 85-90.
89. The 2016 budget takes account of the 2.0% increase in the National Minimum Stipend in the 2015/16 stipend year and the contribution rate of 39.9% of the pensionable stipend that has applied since the start of 2015. Assuming the number of qualifying clergy remains at current levels leads to budgeted expenditure in 2016 being 2.0% more than the 2015 budget. As in 2015, the budget provides for all planned expenditure to be funded from the apportionment which therefore will also increase by 2.0%.
90. Future expenditure does depend to a very significant extent on the number of clergy the qualifying mission agencies employ. They have to absorb the salary costs and national insurance contributions for such decisions but are absolved from the associated pension contributions.
91. The table below shows the average numbers (full-time equivalents) of qualifying clergy employed by the Mission Agencies across the 2011-2015 period.

	2011 Ave FTE	2012 Ave FTE	2013 Ave FTE	2014 Ave FTE	2015 (Q1) Ave FTE
CCE – Papua New Guinea Church Partnership	1.0	1.0	1.0	1.0	1.0
Church Army	5.0	6.0	4.3	3.9	5.0
CMS	15.0	15.3	16.5	17.0	18.0
CPAS	8.4	3.8	5.0	5.0	5.0
Crosslinks	21.5	20.3	21.5	23.3	26.0
Inter-Continental Church Society	6.0	6.0	5.8	4.8	6.0
Jerusalem & Middle East CA	0.8	-	-	-	-
Mission to Seafarers	14.0	13.5	19.0	17.9	14.5
SOMA	1.0	1.0	1.0	1.0	1.0
South American Mission Society	10.3	9.5	10.0	10.0	8.5
USPG	4.0	3.0	3.0	2.0	2.0
TOTAL	87.0	79.4	87.1	85.4	87.0

CHARM (Vote 5)

The Church's Housing Assistance for the Retired Ministry (CHARM) scheme, which provides housing for those retiring from stipendiary ordained and lay ministry with insufficient financial resources of their own, was introduced in its current form in 1983.

It is administered by the Church of England Pensions Board which also provides some financial assistance for the scheme from its charitable funds. Until 2005 the remaining subsidy was funded by the Church Commissioners. Since then the Council has met this part of the subsidy, enabling the Commissioners to increase their targeted grant support. In 2010 the Pensions Board obtained a new commercial loan facility, and since when their charitable funds have met a greater proportion of the overall subsidy.

2016 net Expenditure:	£4,359,170
<u>Funded via:</u>	
Diocesan Apportionment	£4,359,170

92. Clergy approaching retirement with sufficient capital resources to invest in a portion of their retirement property may apply for the shared ownership option of the CHARM scheme (which replaced the mortgage arm of the scheme in April 2008) where the Pensions Board's maximum contribution is £150,000.
93. Those with insufficient capital for the shared ownership scheme may be eligible for the rental scheme. The beneficiary is granted an Assured Shorthold Tenancy to occupy an existing vacant property or one purchased by the Board. Under the new choice-based lettings policy introduced in April 2015 a property may be reserved some time before retirement. From April 2015, rent has been charged on a 'target rent' basis as widely used in the Housing Association sector. As reported to General Synod last July (see GS Misc1073), this new system will be very gradually phased in for existing CHARM customers whose rent had been limited to 30% of their total income.
94. In recent years the number of properties in management has steadily decreased. At the end of 2014 there were 2,172 properties in the scheme (value-linked mortgages 905, shared ownership 113 and rented 1,154. This is 23.7% less than the 2,846 properties (mortgage 1,482 and rented 1,364) as at the start of 2005, when Vote 5 began. In 2012 an independent survey commissioned by the Pensions Board indicated that around 30% of retiring clergy expected to need assistance under the scheme in the coming year, in line with the long term average.
95. Since the scheme's inception, the Pensions Board has used its charitable funds to purchase some properties. At the end of 2014 it held a 100% interest in 555 properties and 58 shared ownership properties (representing 48% of properties within the open sections of CHARM). Until mid-2010, the remaining finance was obtained from the Church Commissioners on a 'value-linked' basis. Finance has subsequently been obtained through an external commercial provider. The Pensions Board does not charge interest on the capital it has invested and this represents additional support of around £2.5 million p.a. (including property financed by the commercial loan and Pensions Board Trusts).
 - When the Commissioners' loans are repaid, they receive the same proportion of the sale proceeds as their original investment related to the purchase price (adjusted for any additional loans or part repayments during the life of the loan). To help smooth the transition to the new financing arrangements, the Commissioners will, until July 2020, continue to make a contribution to the cost of capitalised improvements to those properties for which they originally provided finance.

- For property purchased post July 2010 the Pensions Board has access (via a commercial provider) to a loan facility of £50 million, of which £28.5 million had been drawn down by the end of 2014. It is estimated that this facility will meet capital requirements for the next two to three years. The Board is actively seeking further finance in a manner which will enable it to reduce the variability of interest rate costs.
96. Under the revised financing arrangements the Pensions Board retains the full risks and rewards of future capital appreciation on the property acquired. Recognising this, the Pensions Board has agreed that, by giving increased support from its charitable funds, it will endeavour to smooth the level of support required for the scheme from dioceses.
97. Together with this increased support from the Pensions Board’s charitable funds since 2010, the increase in Vote 5 grant has been 5% per annum as agreed in the Council’s Financial Strategy Review for 2010-2015. However, the Pensions Board – in liaison with the Council – will continue to regularly review the required level of grant funding in the light of events and the cost of running the scheme including factors such as interest charges for the cost of maintenance and repair works, insurance and salary costs, the cost of borrowing facility and arrangement fees for each new tranche of borrowing. To give a greater degree of certainty in the Pensions Board’s transition from Commissioners’ funding to external funding which commenced in 2010, the Council has agreed to plan on the basis that increases of 5% per annum will be needed until at least 2020.
98. In 2014 the support provided for clergy retirement housing from the Pensions Board’s charitable funds included £0.3 million in respect of costs relating to refinancing. The total cost to the Church of the housing support provided for retired clergy in 2014 (excluding interest foregone by the Pensions Board) was £8.9 million, £1.4 million of which related to supported housing schemes and the Manorstead Nursing Home (including investment in improving facilities such as bathroom renewals and the building of buggy stores), analysed as follows:

	£m
Grant support for CHARM from Vote 5	4.0
Net cost to the Pensions Board of CHARM rental scheme	2.7
Net cost to the Pensions Board of CHARM mortgage scheme	0.3
Net cost to the Pensions Board of CHARM shared ownership scheme	0.5
Net cost to the Pensions Board for Supported Housing and Housing Care Homes	1.4
Support for clergy retirement housing per financial statements	<u>8.9</u>

Reserves

99. The Archbishops' Council has a reserves policy under which it holds only such levels of reserves as are necessary to meet its day to day needs and expenditure which may fall to be met before sufficient income is received to finance it. This is to maintain sufficient working capital, to maintain liquidity and to give the Council some modest flexibility to smooth year-on-year apportionment increases should there be significant additional expenditure pressures.
100. In 2010 the Archbishops' Council approved revised guidelines to bring consistency to the reserve policy for all Votes – namely a minimum of 1.5 months' net expenditure and a maximum of 3 months' net expenditure. In 2012 the Council, additionally, set reserves targets for each Vote. For Votes 1-4 these targets are the mid-point of the reserves range. For Vote 5, the reserves target is mid-way between the mid-point and maximum of the range (the '75% level') to provide the Council with some extra capacity to respond to any request that may be made for additional help to support the on-going financial stability of the clergy retirement housing scheme.
101. The minimum, maximum and medium term target levels under the Council's policy, together with forecast reserves at the beginning and end of 2016, are set out below. The Council reviews the ranges and target levels annually and considers that they remain suitable.

	Policy		Forecast			
	Minimum (1.5 mths net expenditure) as at end 2015	Maximum (3 mths net expenditure) as at end 2015	Start 2016	End 2016	Medium- term Target	End 2016 above / (below) target
	£000s	£000s	£000s	£000s	£000s	£000s
Vote 1	1,675	3,350	2,360	2,360	2,512	(152)
Vote 2	1,271	2,543	2,091	2,033	1,907	126
Vote 3	159	318	258	258	239	19
Vote 4	98	197	133	133	148	(15)
Vote 5 (including designated fund)	545	1,090	791	791	954	(163)
Total	3,749	7,497	5,632	5,574	5,759	(185)

Apportionment

102. The recommended apportionment table for 2016, using the usual formula, is shown on the following page.
103. The apportionment of the budget between the dioceses is calculated by a formula agreed by General Synod in 2001 with minor amendments following limited reviews in 2005⁶ and 2008⁷. Since 2009 there has been a cap which guarantees that the maximum apportionment increase to be requested from any diocese will be no more than a fixed percentage above the overall apportionment increase (before the pooling adjustment in respect of additional maintenance costs for ordinands). Since its establishment the cap has been set at two percentage points. Recognising that the apportionment increase in 2016 will be at its highest level since 2009, the Archbishops' Council has decided that the 2016 cap should, this year, be set at one percentage point. Thus, in 2016, the maximum increase for any diocese (before the pooling adjustment) will be 3.5%. One diocese (London) will be asked to meet an increase at the maximum level.

⁶ GS Misc 779

⁷ GS Misc 888 - <http://www.churchofengland.org/media/1229440/gsmisc%20888.pdf>

Table of Apportionment for 2016

Diocese	Training for Ministry	National Church Responsibilities	Grants & Provisions	Inter-diocesan support of Mission Agency clergy pension contributions	CHARM	Apportionment 2016	% change 2016 on 2015	Final Pooling 2014/15	votes 1 to 5 post pooling
	VOTE 1 £	VOTE 2 £	VOTE 3 £	VOTE 4 £	VOTE 5 £	VOTE 1-5 £	%	£	£
Bath & Wells	356,228	268,869	33,821	20,949	116,179	796,046	2.4	99,377	895,423
Birmingham	179,111	135,187	17,006	10,534	58,414	400,252	1.2	(88,407)	311,845
Blackburn	280,431	211,661	26,625	16,491	91,455	626,665	2.0	47,187	673,852
Bristol	204,933	154,678	19,457	12,052	66,836	457,957	2.5	(10,498)	447,459
Canterbury	214,000	161,520	20,318	12,585	69,793	478,215	2.3	57,351	535,566
Carlisle	188,255	142,089	17,874	11,071	61,397	420,685	2.7	24,695	445,380
Chelmsford	502,305	379,125	47,690	29,540	163,821	1,122,481	2.5	(19,921)	1,102,560
Chester	441,781	333,443	41,943	25,980	144,081	987,230	2.2	46,828	1,034,058
Chichester	582,019	439,290	55,258	34,228	189,817	1,300,612	2.1	(3,886)	1,296,726
Coventry	205,213	154,888	19,483	12,068	66,928	458,579	2.5	28,779	487,358
Derby	186,934	141,093	17,748	10,993	60,966	417,734	3.2	(2,599)	415,135
Durham	199,894	150,874	18,978	11,755	65,192	446,693	2.7	(1,390)	445,303
Ely	244,015	184,175	23,168	14,350	79,581	545,290	3.3	(203,856)	341,434
Exeter	309,562	233,648	29,391	18,205	100,959	691,764	2.4	73,041	764,805
Gloucester	268,995	203,028	25,539	15,819	87,730	601,110	2.9	(10,988)	590,122
Guildford	449,925	339,589	42,717	26,459	146,736	1,005,427	3.0	30,342	1,035,769
Hereford	159,297	120,232	15,124	9,368	51,953	355,974	2.1	21,389	377,363
Leicester	171,389	129,359	16,272	10,079	55,896	382,997	3.1	15,256	398,253
Lichfield	397,071	299,696	37,699	23,351	129,499	887,316	2.2	70,475	957,791
Lincoln	301,835	227,816	28,657	17,751	98,440	674,498	1.4	111,633	786,131
Liverpool	256,805	193,828	24,381	15,103	83,754	573,871	2.4	27,240	601,111
London	1,217,660	919,052	115,607	71,609	397,122	2,721,050	3.5	(211,205)	2,509,845
Manchester	303,561	229,119	28,821	17,852	99,002	678,355	2.5	(15,754)	662,601
Newcastle	154,897	116,911	14,707	9,109	50,517	346,141	2.6	17,328	363,469
Norwich	234,314	176,853	22,246	13,780	76,418	523,611	1.9	70,682	594,293
Oxford	826,671	623,946	78,486	48,616	269,607	1,847,327	2.7	308	1,847,635
Peterborough	260,996	196,992	24,779	15,349	85,120	583,235	2.3	(7,041)	576,194
Portsmouth	162,723	122,819	15,450	9,569	53,070	363,631	2.9	(3,828)	359,803
Rochester	369,979	279,249	35,127	21,758	120,664	826,777	2.4	(13,418)	813,359
St Albans	499,028	376,651	47,379	29,347	162,751	1,115,156	2.2	66,765	1,181,921
St Eds & Ips	235,314	177,607	22,341	13,839	76,744	525,845	2.2	50,709	576,554
Salisbury	418,263	315,692	39,711	24,597	136,411	934,674	2.3	59,296	993,970
Sheffield	168,528	127,201	16,000	9,911	54,962	376,602	2.6	(10,459)	366,143
Sodor & Man	29,287	22,106	2,781	1,723	9,552	65,448	2.0	11,288	76,736
Southwark	655,781	494,963	62,261	38,566	213,873	1,465,445	3.0	18,734	1,484,179
Southwell & Nottingham	194,948	147,140	18,509	11,464	63,579	435,641	2.2	(97,507)	338,134
Truro	143,125	108,026	13,588	8,417	46,678	319,833	2.3	(25,208)	294,625
Winchester	382,780	288,910	36,342	22,511	124,838	855,382	2.9	(70,203)	785,179
Worcester	199,138	150,304	18,907	11,711	64,946	445,007	2.1	39,435	484,442
York	321,149	242,394	30,490	18,886	104,739	717,658	2.4	(80,229)	637,429
Leeds (W/Yorks & Dales)	459,917	347,132	43,665	27,050	149,996	1,027,760	2.1	(28,739)	999,021
Europe	28,133	21,234	2,671	1,654	9,153	62,846	2.5	(27,395)	35,451
Armed Forces	32,283	24,365	3,065	1,900	-	61,612	2.1	(23,481)	38,131
Life assurance	-	-	-	-	-	-	-	(32,126)	(32,126)
Totals	13,398,475	10,112,755	1,272,082	787,950	4,359,170	29,930,432	2.5	-	29,930,432