

The Archbishops' Council

Annual Report and Financial Statements
for the year ended 31 December 2010



THE CHURCH
OF ENGLAND

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The Archbishops' Council

The Archbishops' Council is constituted under the National Institutions Measure 1998 with wide responsibilities 'to co-ordinate, promote, aid and further the work and mission of the Church of England'. It aims to further its statutory object by:

- providing an informed Christian view in public debate;
- promoting the views of the Church of England to parliament and government;
- overseeing the delivery of services and support to dioceses and parishes; and
- ensuring that policy and resources are considered together

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

Mission

The Archbishops' Council's Mission is to support the Church in her worship of God and in her participation in:

- proclaiming the Good News of the Kingdom
- teaching, baptising and nurturing new believers
- responding to human need by loving service
- seeking to transform unjust structures in society
- striving to safeguard the integrity of creation and sustaining and renewing the life of the earth

Objectives

The Council's objectives are:

1. To enhance the Church's mission by:
 - Promoting spiritual and numerical growth
 - Enabling and supporting the worshipping Church and encouraging and promoting new ways of being Church, and
 - Engaging with issues of social justice and environmental stewardship
2. To sustain and advance the Church's work in education, lifelong learning and discipleship;
3. To enable the Church to select, train and resource the right people, both ordained and lay, to carry out public ministry and to encourage lay people in their vocation to the world; and
4. To encourage the maintenance and development of the inherited fabric of Church buildings for worship and service to the community.

Presidents' foreword

We are pleased to present the Archbishops' Council's twelfth annual report.

In a year which saw both a General Election and the five-yearly elections to the General Synod, there has been much for the Council to grapple with. A change of Synod presents its own challenges, but a change of Government always brings with it a change of priorities and policies with which we as a Council and a Church have been engaging with critical wisdom. The challenges and opportunities are many.

The Church has, of course, been doing 'Big Society' for centuries. The challenge for the Church in an increasingly secular society which has a tendency to secularise essentially religious concepts is to articulate not only what it does for wider society, but also why.

The Council and the House of Bishops are seeking to meet the challenge by establishing a series of priorities for the Church over the coming five to ten years. The aim is to make clear the role of the Church in society and the exercise has already generated a huge amount of energy and debate. We are delighted that the Synod and the Church more widely are gathering around the vision of an active Church with a great concern for the world in which it exists and look forward to the support of the whole of the Church of England in realising it.

The resilience of the Church's voluntary income – mostly through the committed and in many cases sacrificial giving of half a million regular givers in parishes throughout England – is a reflection of the energetic work of the network of stewardship advisers, supported by the Council's national officer.

However, the uncertain financial situation in the dioceses and parishes continues to present the Council with some hard choices. We have committed ourselves to real terms reductions in the amount requested from the dioceses for national work through to 2015 and we are pleased to be able to report that that has so far proven to be possible.

We wish to record our gratitude to the staff of the Council, who, along with their colleagues in the other National Church Institutions, have demonstrated great professionalism in supporting us in discharging our responsibilities.

We commend this report as a record of the quality and range of work carried out on behalf of the Council and continue to seek the prayers and support of the Church for the members and staff of the Archbishops' Council.

 ROWAN CANTUAR:

 SENTAMU EBOR:

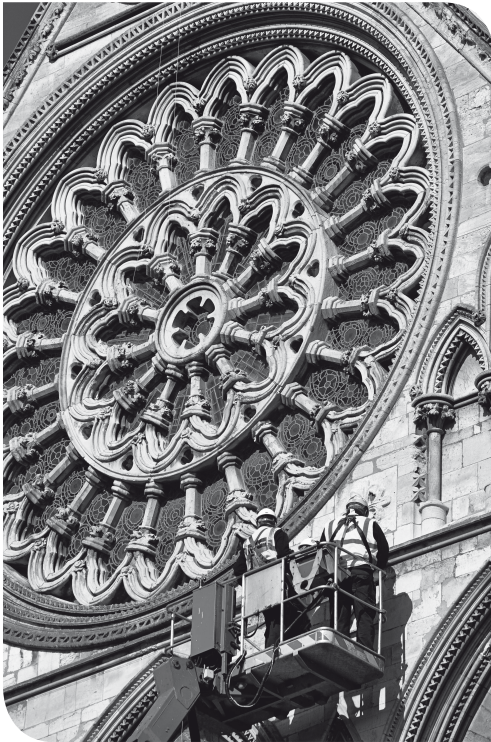
Joint Presidents

Church House
Westminster
SW1P 3AZ

7 June 2011

The Archbishops' Council in 2010

Public benefit



Installing protective netting over York Minster's Rose Window

1. The Archbishops' Council has an enabling role in support of the ministry of the Church of England which, through its 13,000 parishes and 44 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.

2. In accordance with the requirements of s.4(6) of the Charities Act 2006, in exercising their responsibilities the members of the Council have had regard to the Charity Commission's published advice on public benefit, especially that contained in its supplementary guidance *The Advancement of Religion for the Public Benefit*.

Compliance

3. The Council continues to ensure compliance with all relevant legislation and regulation; to maintain and support a skilled and motivated staff; and to ensure effective systems of organisation and governance.

Resources

4. The Archbishops' Council's work is resourced by voluntary contributions from the dioceses of the Church of England (the 'apportionment'). In 2010 these amounted to £27.7 million (2009: £27.6 million). The Council also distributes income received from the Church Commissioners both for the support of less well resourced dioceses and as mission development funding. In 2010 this funding amounted to £40 million (2009: £41 million).

5. The Council is sensitive to the need for good stewardship of the resources available to it and transparency in their use. It places great importance on the effective and efficient use of resources of all kinds, both in its own work and throughout the Church and keeps all areas of its work and costs under review and aims to improve its service wherever possible.

Working with the Church Commissioners, the Council has asked dioceses to report on 2008-10 funding outcomes, and set out their objectives and anticipated outcomes for 2011-13. We are now analysing the responses with a view to spreading good practice and providing other support for diocesan mission planning.

6. In an increasingly challenging financial climate, the Council is making every effort to support dioceses and parishes by seeking increased efficiencies and containing its own working costs, both those relating directly to the work outlined below and its own administrative and support costs.

7. As a response to the difficult economic environment, the Council published a review of spending priorities for the period 2010-2015 (GS 1731) in June 2009. The measures outlined in the review to contain the Council's expenditure below the level of inflation over the period will first bite in 2011, but work was already well in hand following the Synod debate in July 2009 and as part of the budget planning process during the first half of 2010. The budget presented to the General Synod in July 2010 for 2011 was within the parameters signalled in GS 1731.

Governance

8. In 2010, the Council completed a review of the bodies which support it (listed on p.15) and agreed a significant reduction in their membership. The process of election and appointment to these bodies was completed in May 2011.

9. The Council is also in the process of reviewing its own size, functions and pattern of meetings.

Review of activities

Objective 1 - Enhancing the Church's mission

10. The election of the Coalition government in 2010 has speeded the pace of political change. This is perhaps most visible in the government's plans for what is being called 'The Big Society', which includes encouraging localism and volunteering and shifting the balance of power between the State and local communities.

11. We have written above about the Council's own thinking on this and the direction it has mapped out with the House of Bishops for the next five years or so. The Council's main engagement is through its Mission and Public Affairs (MPA) Division, which produced a report (GS 1804) to resource a debate at the first meeting of the new Synod in November to help the Church to think through the ideas and practicalities involved in The Big Society. The report has been widely used in dioceses and among other church groups.

12. It is also from discussions between ministers and MPA staff that proposals emerged for the Church of England to facilitate greater social cohesion in multifaith communities. The 'Near Neighbours' proposal, developed in partnership with the Church Urban Fund (CUF), received funding from the Government in February 2011. MPA and CUF are also working to develop practical tools for parishes to build quickly and easily on the experience of others when setting out on social action

St Lawrence Academy, Scunthorpe

St Lawrence is one of 42 Church of England academies. It opened in 2008 and serves a deprived area. All admissions are on a neighbourhood basis, and includes all faiths and none. It has a strong Christian ethos drawing its core values drawn from the Christian story, but shared across society.

Considerable time and attention was given to developing an understanding of what the Church foundation meant for the pupils and the staff and developing and explaining how the academy would embrace the whole community.

This has paid off. The Academy recently secured an Ofsted judgement of 'good' with several 'outstanding' features, including governance. It demonstrates the importance of, a clear vision, great commitment and strong community engagement.



Farmers Market at St Giles Shipbourne in Rochester diocese

and volunteering programmes.

13. Political extremism is an issue for urban and rural churches alike posing a serious challenge to social cohesion. There has been evidence of this around the country and we have continued, through MPA, to monitor and advise on the challenges posed by political extremism.

14. In January, MPA provided guidance for those working in areas of far-right activity and advice for those involved in organising events around the General Election and has continued to work with clergy and others to share good practice and consider new challenges that are emerging through street demonstrations and political activity.

15. Working across the Churches in our communities, the Council for Christian Unity undertook a major review of local partnership arrangements with other Christian Churches. This will be considered by the House of Bishops and will then move on for debate at the General Synod.

16. The Education Division published *Strong schools for strong communities*, which provides an analysis of the performance of Church schools during the first year of Ofsted inspection of community cohesion. The grades awarded to Church schools for their commitment and impact on pupils in this area were significantly higher than those given to other schools. The report sparked a lively public debate.

17. The change of government has meant a great deal of work for the Parliamentary Unit (jointly funded with the Church Commissioners). A large number of new MPs and the flurry of new initiatives have meant that staff have had to work especially hard to build relationships and maintain regular parliamentary briefings on Church matters. The Unit continues to facilitate meetings between bishops, ministers and civil servants to share ideas and keep channels of communication open.

18. MPA policy staff provide numerous briefings in support of the Bishops in the House of Lords. Staff have also responded to government consultations across a wide range of issues. In particular, our response to the government's Strategic Defence Review was warmly supported by peers, MPs and the Armed Forces.

19. In many areas, the Archbishops' Council supports mission initiatives which help the Church to grow. The Mission Theology Advisory Group (MTAG) continues to develop accessible resources for the Church's mission. In 2010, MTAG produced *Unreconciled?* which provides comprehensive resources to help churches engage with questions of reconciliation. This work taken up by BBC Radio 4 and local radio as the Lent Course for 2011.

20. Accurate and reliable statistics are a key tool for mission and valuable in understanding the Church and identifying trends and areas for attention. The Research and Statistics Department has been focusing on improving the efficiency and application of the annual parish attendance statistics and has begun to broaden its traditional counts of church-based services to include other forms of local worship and is looking at using web-based data collection methods.

21. The Council's World Mission Adviser was one of a 9-person delegation from the Anglican Communion to the Edinburgh 2010 centenary conference on mission. A further contribution to this historic event was the book, *Foundations for Mission* edited and partly written by MPA staff. MPA is also working with the Anglican Mission Agencies and the Diocesan Companion Links network to build a new consensus about how each contributes toward the Church's overall engagement in mission across the world. This has been carried out in partnership with Westminster Abbey, which sponsored a major consultation.

22. The annual conference of the Partnership for World Mission (the major Mission Agencies and Diocesan Companion Links) followed the centenary conference in Edinburgh and was on the subject of the future of partnership. All these activities represent a shift taking place from old patterns of donor/receiver relationships in world mission to new patterns of mutuality and interdependency.

23. The liturgy of the Church contributes to its mission and the Liturgical Commission completed its work on Eucharistic Prayers for use when a large number of children are present. The Eucharistic Prayers have been approved by the House of Bishops and will be considered by the Synod in July 2011.

24. Structural change and the relational changes and efficiencies which may arise from it can also be seen as a tool for mission. The Dioceses Commission has been conducting a review of the Dioceses of Bradford, Ripon & Leeds, Sheffield and Wakefield and their boundaries with the Diocese of York and this was completed and the report published in December. The report is now in its consultation phase.

25. The House of Bishops and the new Faith and Order Commission (the successor body to the Faith and Order Advisory Group) took the lead in preparing background material for the Church of England's consideration of the draft Anglican Communion Covenant, which is intended to provide a framework for how the various Churches within the Anglican Communion relate to each other and resolve difficulties between them. The draft instrument by which the Church of England will adopt the Covenant was debated by the Synod in November and has now been sent out to the dioceses for approval.

Objective 2 - Advancing the Church's work in education and lay discipleship

26. Amidst a large number of policy reviews, the change of government led to an accelerated pace of change in education. The Council agreed the recruitment of an additional officer to work in the Parliamentary Unit for six months specifically to enhance the Church's engagement with Parliament on educational issues while the permanent staff in the Unit concentrated on the business of engaging with new MPs and building relationships following the General Election.

27. The Academies Act, enabling certain categories of existing schools to fast track to academy status, implements the policy of the Coalition to place more of the public education system into a market environment. This raised serious challenges for the Church school sector.

G4G

Going for Growth: transformation for children, young people and the Church (G4G) (GS 1769) was approved enthusiastically at the General Synod's February meeting.

Going for Growth calls on the Church at all levels to recognise the capacity of children and young people to be agents of change and transformation. This requires the Church to listen and respond to their voices.

The G4G work plan has borne fruit in the creation of a website (going4growth.org.uk), bringing together resources for the full range of work with children and young people for the first time. Diocesan officers, supported by the Education Division, have changed their own local planning and work with parishes to reflect the priorities in the report. For example:

Blackburn Diocese held a 'Hear Me' Conference for children

Worcester invited children and young people to provide input at its Diocesan Synod

St Edmundsbury and Ipswich is planning a second Children's Council to provide an opportunity for children's voices to be heard throughout the diocese.



Common Tenure

The Ecclesiastical Offices (Terms of Service) Measure 2009 was brought into effect fully on 31 January 2011. From that date all clergy office holders will be appointed on a completely new basis. Common tenure offers security, with all appointments being open ended (unless, for one of a limited number of very specific reasons, they are time limited), and requires that all of the terms and conditions relating to an appointment are set out clearly.

The legislation covers all levels of the Church of England's ordained ministry. Both Archbishops were transferred onto common tenure on 31 January, as were all clergy on fixed term appointments. Clergy with the freehold have the option to move onto common tenure in their current appointment if they wish.

Reciprocal rights and responsibilities for bishops and clergy are made clear. These include, for example, the duty to provide and participate in Ministerial Development Review and Continuing Ministerial Development. Fair and transparent ways of dealing with problems are set out in the Capability and Grievance Procedures. The intention is that this framework will enable ministry to flourish.

As well as completing the raft of legislation – which includes Regulations, Directions on parental leave and supporting Codes of Practice on Capability and Grievance in addition to the Measure – the Council has provided guidance, advice and training to help dioceses implement common tenure.

28. Rapid legal work with the Department for Education led to appropriate models being developed for both Voluntary Aided and Voluntary Controlled schools wishing to change to become academies. Constant contact with Diocesan Boards of Education (DBEs) and schools during the process cleared the way for the subsequent guidance on policy and process. The Education Division has been advising DBEs as they shape the principles against which they will determine approval of individual academy conversions.

29. The Church of England is the largest group of academy providers. Seven new Church of England academies opened in 2010 bringing the total to 42. These were all based on the original model of replacing failing schools in areas of high deprivation, in direct fulfilment of the National Society's original purpose of bringing education with a Christian purpose to the poor. The Council's Chief Education Officer is also the General Secretary of the National Society, which was founded in 1811 and celebrates its bicentenary in 2011.

30. The Government's major review of the direction and funding of Higher Education (HE), chaired by Lord Browne, recommended, amongst other things, that universities should be able to charge much higher tuition fees. The response sent from the Council's Board of Education raised questions about both the assumptions of the aims and purposes of university education and the impact of the high levels of indebtedness resulting from raised tuition fees.

31. The Church's mission to children and young people and how they and the Church relate to each other are particular concerns of the Archbishops' Council and understanding them is vital to the Church's future and growth.

32. The Council set up the Youth Evangelism Fund (YEF) in 2006 to provide small pump-priming grants to enable young Christians to share their faith with their friends in ways that made sense to them. YEF was jointly funded by the Council and partners and has been well received. 2010 marked the end of the Council's funding. MPA has begun to build on the successes and lessons of the Youth Evangelism Fund to launch it into a new phase with greater effectiveness and new, external, funding.

Objective 3 - Selecting and resourcing people to carry out public ministry and vocation

33. The aim of the Council's Ministry Division is to 'enable the Church to select, train and resource the right people, both ordained and lay, to carry out public ministry and to encourage lay people in their vocation to the world'. This involves working with the Church at various levels to develop methods of selecting, training, funding and deploying ordained and lay ministers that will meet the needs of the Church in a changing context. At an annual cost of around £11.7 million for theological education and training and £1.4 million for the operational costs of the Ministry Division, this work takes up the largest proportion of the Council's budget funded by contributions from dioceses.

34. The Church faces a challenge in meeting the demands placed on its clergy. As the 'baby boomers' retire, the number of full time stipendiary clergy is declining. Those who con-

tinue in ministry and those who enter ministry are faced with a different pattern of ministry from the one we have been familiar with over many years. How clergy are deployed is essentially a matter for individual dioceses to determine, but patterns are beginning to emerge.

35. Research is a valuable tool in identifying these patterns and the Research and Statistics Department has worked closely with the Ministry Division on a programme of work into patterns of ministerial deployment and vocational development. The Ministry Division has continued to support dioceses with deployment planning via a series of seminars in how to plan ministerial deployment in line with dioceses' plans for growth and development, and the research has facilitated ministry research forums that have generated worthwhile dialogues across the dioceses.

36. The Church of England currently has around 8,230 full-time stipendiary clergy (around 80% men, 20% women); 330 part-time stipendiary clergy (roughly equal proportions of men and women); and 2,520 self-supporting clergy (just over half of whom are women). In addition, there are around 1,630 ordained Anglican clergy working in chaplaincy and other ministries (around 75% men, 25% women).

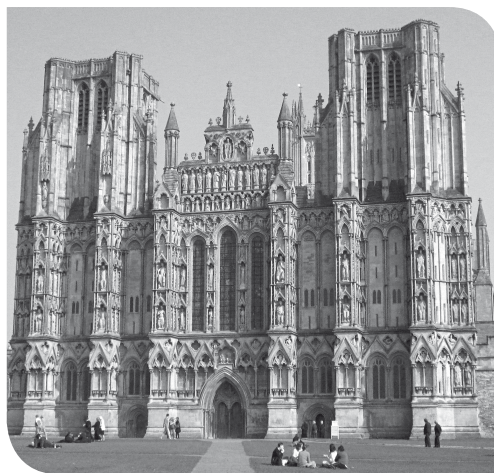
37. During 2010, 515 candidates were selected for training for the ordained ministry and for the first time in several years over 20% of them were under 30. This is a promising development against a background of an otherwise ageing workforce.

38. The Division has also undertaken the validation, funding and inspection of theological institutions; supported dioceses in their programmes of Continuing Ministerial Development – a key element in keeping the clergy fresh and engaged; and resourced dioceses in their work with Deaf people and people with disabilities. The Ministry Division also continues to support Readers through liaison with the Central Readers' Council and the encouragement of better Reader selection and training.

39. A distinctive challenge during 2010 has been to respond to the serious challenges posed to the quality of theological education by changes in government policy on the funding of Higher Education (HE). A working party chaired by the Bishop of Sheffield has been engaged in significant consultation with theological institutions, HE institutions and bishops in order to produce a way forward that aims to provide high quality, affordable training.

40. Chaplains in areas of public life such as healthcare, prisons, police, education and the Armed Forces are a vital component in the Church's mission and ministry. Their work includes offering support and care to people where they are (in their workplace, place of study, on the front line, in their hospital bed) and at times when they are exploring their faith in unfamiliar surroundings or may feel under pressure, exposed, in despair and trying to make sense of the world around them and their position in it.

41. Further Education (FE) colleges are not obliged to provide for their students' spiritual and moral development and the Education Division has been working for some years to influence government policy. During 2010 non-statutory guidance



Wells Cathedral : Maggie Goodall CCB

Grant making

The Cathedral and Church Buildings Division runs several programmes to help parishes, friends groups and chapters in the conservation of historic furnishings and artworks in churches and cathedrals. Grants include: organs, bells, clocks, textiles, timberwork, monuments, metalwork and plate, historic books and manuscripts, wall paintings, paintings and stained glass. Fabric repairs, conservation of churchyard structures and the improvement of cathedrals' visual amenities are also eligible. Grants can also help with conservation reports and technical investigations.

In 2010 the CFCE, working with the Wolfson Foundation, set up a joint Cathedral Fabric Repair Fund which distributed £500,000 in six grants to 18 applicants for essential fabric repairs to cathedrals. A further £1.1 million has been committed to the scheme and CCB continues to look for other funding partners.

In 2010 the six specialist CBC Conservations Committees recommended grants totalling £195,000 for distribution to 90 projects on parish churches for the proper maintenance and conservation of historic objects within churches. A further £250,000 of grants was pledged to parish churches for fabric repairs.

was produced in response to this pressure, with strong input from the National Churches' FE Officer. This is of great help to chaplains in offering a rationale for their closer involvement in the life of the college.

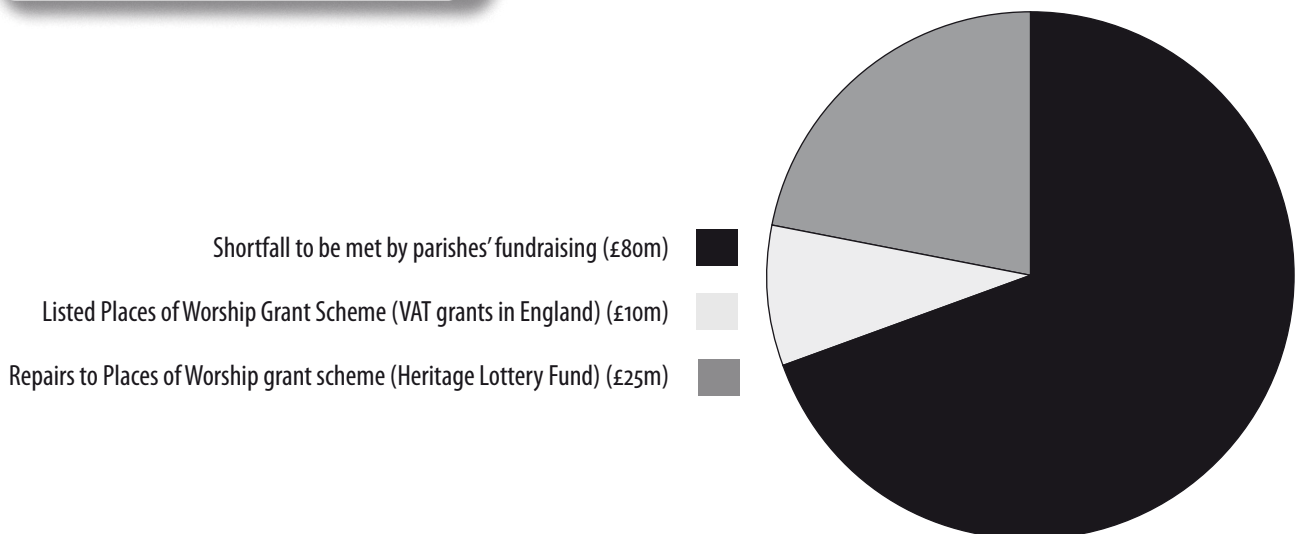
42. One area of potential efficiencies in the way the Archbishops' Council goes about its work highlighted in the Financial Strategy review was in relation to the support of healthcare chaplaincy. A report on Hospital Chaplaincy, from a review group chaired by Dame Janet Trotter, has led to major changes in the way MPA supports healthcare chaplains (including the loss of one permanent member of staff) and was the catalyst for new partnerships across the chaplaincy field. MPA has worked with others to build new structures for supporting healthcare chaplaincy, balancing a chaplain's identity as simultaneously part of the Church and of the Health Service. At a time of cuts in government spending, there could well be serious challenges to chaplaincy appointments and MPA stands ready to respond.

Objective 4 - Encouraging the development of Church buildings for worship and service to the community

43. 45% of England's Grade I listed buildings are owned by the Church of England, which means that we have a huge responsibility for England's built heritage. Of the Church of England's approximately 16,200 churches, 75% are listed, around 26% Grade I listed. The maintenance of these buildings runs to around £115 million a year, all raised by local communities.

44. The Council's Cathedral and Church Buildings Division (CCB) supports the preservation and development of the Church of England's cathedrals and church buildings for worship, mission and community engagement. It supports two statutory bodies: the Church Buildings Council (CBC) (and the Statutory Advisory Committee on Closing Churches); and the Cathedral Fabric Commission for England (CFCE).

Funding for church repairs (£115m total annual cost)



45. In reviewing the demands placed on CCB (as it has done with all its Divisions), the Archbishops' Council took the view that the Division should focus on those activities which are only deliverable by the national Church and where the national Church can add value. Such areas include campaigning, policy development, advice and expert input into cases of

special significance.

46. As part of the shift towards greater emphasis on policy, the CBC has set up a number of working groups and conferences to seek improved practical solutions to, for example, the serious problems caused by bats in churches. Metal theft is becoming a widespread problem for churches (Ecclesiastical Insurance Group paid out £10 million against metal theft in one year). A working group has been set up to take evidence from a range of people and it is intended that this will lead to embarking on a series of political initiatives to assist in tackling the crime.

47. CCB plays a major campaigning role on behalf of the country's cathedrals and churches. Amidst the cuts of the Comprehensive Spending Review in October, the retention of £12 million a year for four years for the Listed Places of Worship Grants Scheme (LPWGS) was a notable outcome and owed much to lobbying from around the Church. The scheme continues to reimburse VAT on repairs though now from a cash limited budget.

48. LPWGS and the English Heritage/HLF Joint Repairs Fund are the only sources of public funding that are available to all listed cathedrals and churches. They facilitate much essential repair work, often as a precursor to enabling wider use of church buildings by the community.

49. The impact of the unexpectedly high 35% cut in government funding of English Heritage continues to pose a treat to the maintenance of our historic buildings, so we welcome the Heritage Lottery Fund's decision in January 2011 to backfill any shortfalls by English Heritage to maintain the Joint repair Fund for Places of Worship at £25 million a year.

50. On another front, good progress continues with the Church of England's environmental campaign, Shrinking the Footprint (StF). This aims to help meet the Church's carbon reduction target of 80% by 2050. In 2010 the website (shrinkthefootprint.org) was redesigned to make it more user-friendly; A nationwide energy audit will be carried out in 2011 and work continues to improve guidance on, for example, renewable technology.

51. As part of the decision to focus efforts where the national Church can add value, and following consultation with Diocesan Advisory Committees (DACs), Chancellors and Archdeacons, the Church Buildings Council published a policy statement, *The Church Buildings Council and DACs: working in partnership*, in September 2010.

52. The statement sets out a framework for giving advice on a consistent and robust basis on works having major impact on significant buildings. The CBC will continue to support the crucial role of DACs, but it will now only consider works referred via DACs and Chancellors.

53. The CBC continues to encourage churches to remain open, often for wider community use. Since it represents another tool to help sustain church buildings as part of their communities, the CBC wishes to encourage greater use of the Pastoral Amendment Measure, which enables leases to be granted of parts of churches which are still in use for public worship.



A grant of £5,000 was awarded to St Mary's church, East Knoyle, to assist with the conservation of the seventeenth-century decorative plasterwork designed by the Revd Christopher Wren (father of the architect of St Paul's Cathedral). This is a good example of our varied role in supporting parishes: not only was financial support provided but we also advised on conservation matters, as part of the faculty jurisdiction rules, highlighting the usefulness of new technologies (e.g. thermography) in studying and understanding the mechanisms of the deterioration of artworks in our churches.

£25,000 was granted for the organ in Thaxted, St Laurence (Diocese of Chelmsford). It was built in 1821 by H C Lincoln for a church in London, and moved to Thaxted in 1858. It is a rare example of a complete English organ from the early-nineteenth century. In the twentieth century Gustav Holst lived in Thaxted, and attracted many major composers to visit him there, some of whom are known to have played the organ, adding further to its interest. The keys used by Holst, Vaughan-Williams and others will be preserved as part of the work.

54. In December, working with the National Rural Officer, other churches and the Plunkett Foundation, the Cathedral and Church Buildings Division published guidelines and best practice for setting up community shops in churches. This guidance is likely to prove particularly useful to help provide a service in isolated rural communities. This and coverage of the bats forum in November generated a lot of press interest and enabled us to reinforce the idea that the nave of the parish church is historically a public space for the whole community.

55. Whilst the English Heritage Cathedral Fabric Survey (December 2009) indicated cathedrals have never been in better shape, chapters, Fabric Advisory Committees (FACs) and the CFCE continue to be busy with large amounts of conservation and new work. The CFCE presentation on managing major schemes for the Deans' Conference in April reflected a trend towards cathedral-centred urban regeneration with its opportunities and pitfalls.

Getting the message out

56. Getting the message out about the Council's activities and achievements is a key role for the Communications Office. The Office provides media relations, training, internal and website communications services to the Council, Synod, House of Bishops, Church Commissioners and Pensions Board, working closely with the dioceses. It leads the Church's representations on media policy and answers enquiries from the public. It works strategically with other departments within Church House and across the dioceses of the Church of England.

57. The Communications Office steered the development and launch of the new Church of England website (churchofengland.org) in January 2011. Visitors can now find information about weddings, baptisms and funerals more easily and features such as news, prayer, liturgy and links to the Archbishops' websites are now more prominent. A-Z Views is an easy-access way to find existing briefings, consultation documents and Synod motions on current issues. There is an updated multi-media section and the search facilities have also been improved to make the website more welcoming and more immediately relevant to the interested visitor.



Her Majesty the Queen opens General Synod in November 2010

58. 2010 was the first full year that Church House Publishing (the Archbishops' Council's official publishing imprint) operated under the outsourcing agreement with Hymns Ancient & Modern Ltd. However, the Council continued to publish a broad range of liturgical and reference titles, including a new volume in the Common Worship series (*Times and Seasons President's Edition*) and a revised edition of the Church's Safeguarding Policy (*Protecting all God's Children*). Other CHP titles – including *Making Sense of Generation Y* and *Exploring God's Mercy* – received prominent coverage in the media.

59. The financial performance of the operation showed a marked improvement in 2010, achieving a net trading surplus of £77,000. This compared favourably against the budgeted net trading deficit of £73,000 for 2010. This amply demonstrates the wisdom of the decision to outsource.

60. The Research & Statistics Department continues to provide an invaluable resource to enable planning and forecasting, to communicate the Church and to assist the Church in

understanding itself. The Research & Statistics Department also provides a statistical and research resource to the Methodist Church.

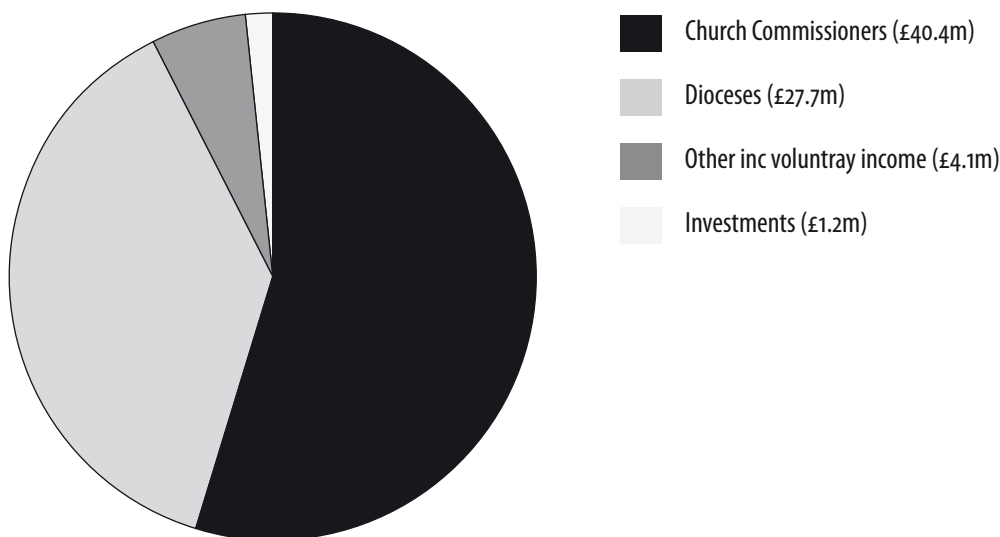
61. In addition to improving the efficiency and application of the annual parish attendance statistics, the department has begun to broaden its traditional counts of church-based services to include other forms of local worship so that the Church can have a better awareness of changing patterns of worship and to assist in resource and deployment planning.

62. Continued research for the successful and widely appreciated Weddings Project confirmed the widespread support for and appreciation of the training events developed for parish clergy. Couples, too, are benefitting from the fruits of the Project and latest figures show that over a third of all Church weddings are now planned online (yourchurchwedding.org).

Review of the statement of financial activities for 2010

63. In 2010, the Council's incoming resources totalled £73.0 million, 1.4% below the 2009 level of £74.1 million. The Council's 2010 income is analysed in the chart below:

2010 Incoming Resources

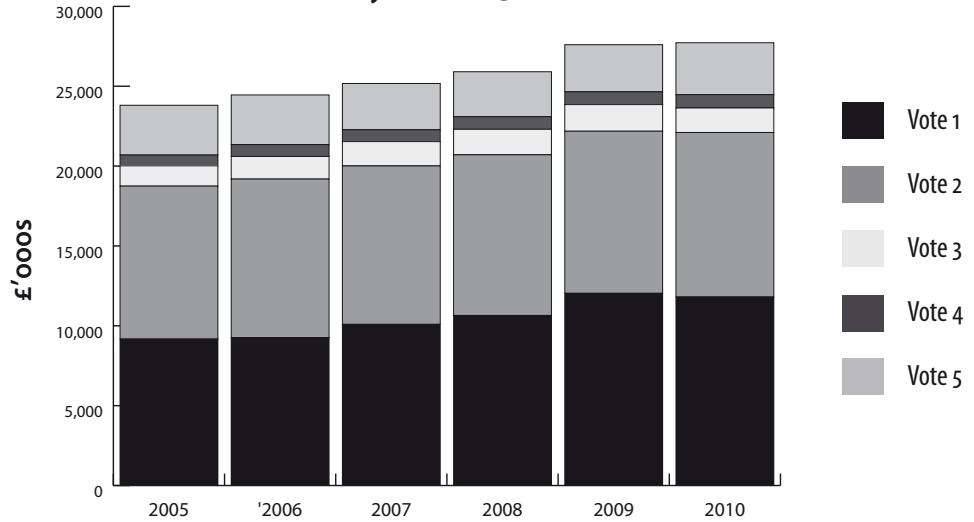


64. Most of the Council's incoming resources comes from two sources. First, grants from the Church Commissioners (£40.0 million in 2010, compared with £41.0 million in 2009) which are mainly used to make grants to dioceses to support parish mission and ministry, and secondly contributions from dioceses.

65. In 2010 diocesan contributions totalled £27.7 million compared with £27.6 million in the previous year. These funds are requested from dioceses by way of an apportionment formula which takes diocesan resources into account. An arrangement is in place to ensure that the increase requested from any diocese in any one year is no more than a fixed amount, currently set at 2%, above the overall charge in the apportionment.

66. Funds are used for five main purposes which are voted on separately by General Synod each year. These are Training for Ministry (Vote 1), National Church Responsibilities (Vote 2), Grants (Vote 3), Mission Agencies pension contributions (Vote 4) and the Clergy Retirement Housing subsidy (Vote 5).

Diocesan Contributions by Vote 2005-10



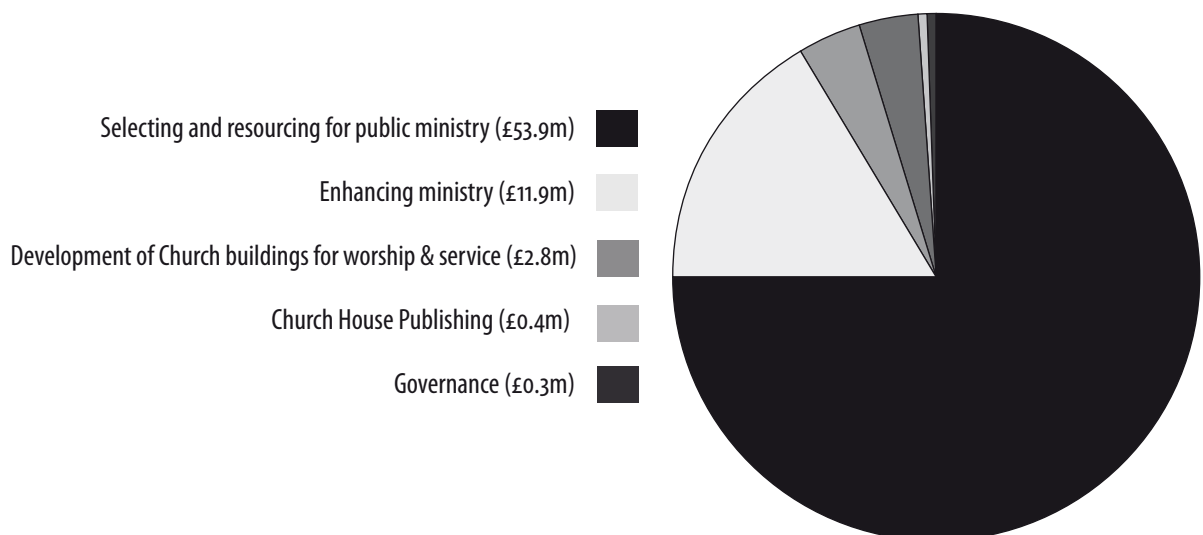
67. In order to seek to give greater predictability to dioceses of the funds likely to be requested from them each year by way of the diocesan apportionment, the Council has set a financial strategy for 2011-2015. The Council's financial strategy is to set a maximum level of increase in the apportionment of 0.5% below the rate of inflation in 2011 and 2012 and in line with the rate of inflation in 2013-2015.

68. This strategy was based on the assumption that the Council's costs in respect of Training for Ministry would be planned and, if necessary, capped. It was also acknowledged that the strategy would require a significant reduction in the activities funded as National Church Responsibilities as compared with current commitments and expectations. The Council began to implement this strategy in earnest when it prepared its 2011 budget for consideration by General Synod in July 2010.

69. In 2010 resources expended or distributed by the Council totalled £71.9 million, 2.8% less than the £74.0 million distributed in 2009. The following chart illustrates resources expended in 2010:

70. The most significant expenditure made by the Council in 2010 was in relation to selecting and resourcing for public ministry and to enhance mission, representing 75.0% (2009: 75.5%) and 16.5% (2009: 15.4%) respectively of the total resources expended by the Council.

2010 Resources Expended



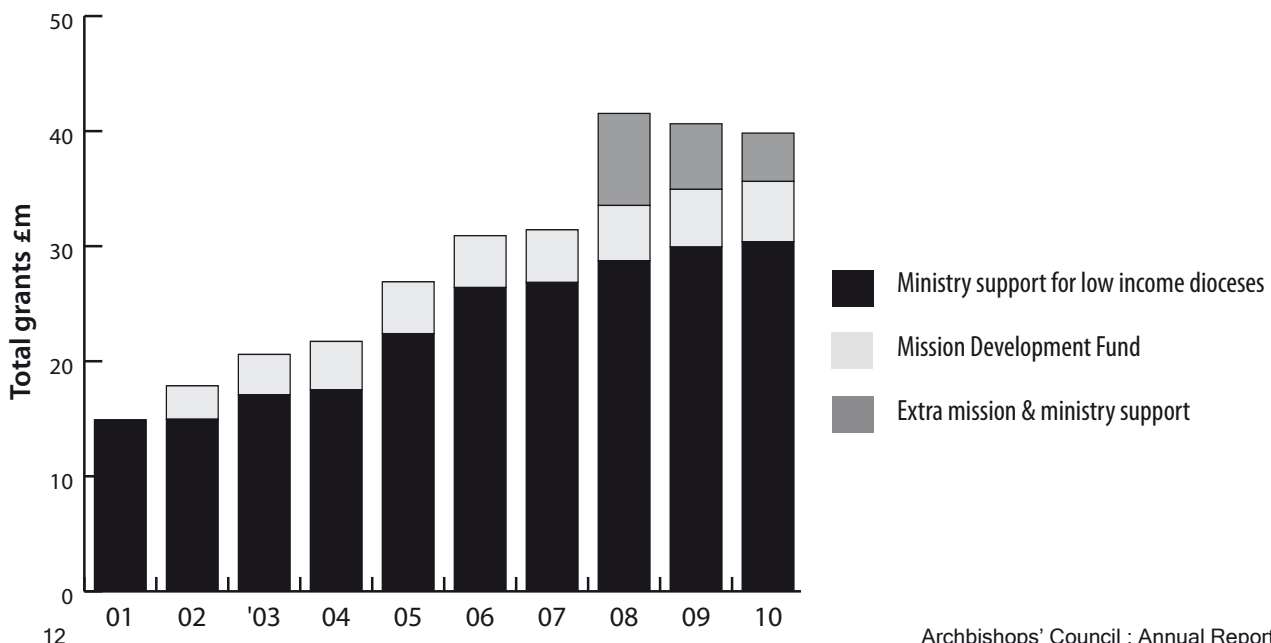
71. The three main grant streams for selecting and resourcing for public ministry were as follows:

- Ministry support grants to low income poorer dioceses. In 2010 grants totalling £30.4 million (2009: £29.9 million) were made to the 29 dioceses calculated as having below average resources per stipendiary minister, 16 of which received more than £1 million. Dioceses use these grants to help fund parish mission and ministry in those parishes which are least able to afford it.
- Training for Ministry. In 2010 a total of £11.6 million (2009: £11.9 million) was provided for training for ordained ministry. This included funding for colleges, courses and schemes providing approved residential and non-residential training courses based on the number of ordinands in training at each institution and grants to those individuals undertaking training.
- Extra mission and ministry support. In 2010 £4.2 million (2009: £5.7 million) was distributed between all English dioceses under this funding stream based on their stipendiary clergy numbers. This money was made available by the Church Commissioners in 2008-2010 following the changes to the clergy pension scheme agreed by General Synod in 2007. Most dioceses used the money to help them meet the additional pension costs for clergy but some used it to support mission in the diocese in other ways.

72. The main grant scheme for supporting mission is called mission development funding. In 2010, a total of £5.2 million (2009: £5.0 million) was distributed between all English dioceses under this funding stream.

73. The level of parish mission and ministry support grants provided to dioceses since 2000 is shown in the graph above (these figures exclude payments made directly to parish clergy by the Church Commissioners). In 2010 the amount distributed as ministry support for poorer dioceses was slightly more than double the amount distributed eight years previously. In 2010 mission development funding was 87% above the sum distributed in 2002 when the scheme was introduced.

Total grants to dioceses for parish mission & ministry support by type



Overview of use of restricted funds

74. Following last year's review of the Council's restricted funds, research was carried out to enable classification of the fund's between income funds, expendable endowment funds and permanent endowment funds. Due to the historic nature of some of the funds it is possible that further information may come to light which could change the classification of funds between these three categories.

75. Work was also carried out to clarify the distribution plans for each fund to inform a decision by the newly established Investment Committee of an investment strategy appropriate for the funds. It is envisaged that greater clarity on the distribution strategy for each fund and making a more explicit linkage between distribution and investment strategies will enable the funds to be used more effectively in support of the Council's objectives.

76. The Council reaffirmed its legacies policy. In respect of unrestricted legacies its priority is to support new, time-limited, mission initiatives. In addition legacy funding may be used where necessary to support ordination training and retired clergy. During the year some unrestricted legacy money was used to support roll out of the weddings project initiative to additional dioceses, the Shrinking the Footprint environmental initiative and to help redevelop the Church of England website to make it more accessible and relevant to current and potential users, prior to launching the new website (www.churchofengland.org) in early 2011.

Comment by the trustees about going concern

77. 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, its policy on reserves in respect of each of its Votes and the level of each of those reserves, the existence of certain restricted funds and confirmation from the Church Commissioners that, in 2011, the expected monies will be made available for distribution. Thus the Council 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

78. The Council holds reserve funds for each of its five Votes to enable it to meet its obligations and commitments which span more than one accounting period and to assist in cash-flow management. For each of its five Votes (four of which are held for specific purposes and one – Vote 2 – is unrestricted), the policy is to hold between one and a half and three months' net monthly expenditure as reserves, excluding any sums held as designated funds. A full list of Designated funds held by the Archbishops' Council at the end of 2010 can be found in note 15(b) of the financial statements on page 41.

79. The Council reviews the policy levels each year when preparing its budget for the forthcoming year for presentation to General Synod. In 2010 it was agreed to change the reserves policies for Votes 3, 4 and 5 to make them consistent with the

policies for the two largest Votes: 1 and 2.

80. At the end of 2010 the balances for cash reserves for Votes 1-3 and 5 (including both the restricted and designated funds held for this purpose) were within the target ranges. The reserve for Vote 4 exceeded the maximum by £16,000 and is expected to grow further in 2011. The Council plans to set its 2012 budget reserves for this Vote with the intention of bringing this Vote 4 reserve to within the policy levels by the end of that year.

On behalf of the Archbishops' Council

 ROWAN CANTUAR:

 SENTAMU EBOR:

Joint Presidents

Church House
Westminster
SW1P 3AZ

7 June 2011

Organisational information

1. The Archbishops' Council is established under the National Institutions Measure 1998. Supported at member level by its sub-committees (known as Boards, Councils and Committees) and at staff level by the Secretary-General and his senior staff team, the Archbishops' Council aims to hold together issues of policy and resources by co-ordinating and taking an overview of the work already being done on its own behalf and on behalf of the wider Church by planning a forward programme of work and by responding to impulses from within and outside the Church.
2. The work of the Council and its supporting bodies is underpinned by openness to God; worship; service; promoting growth; unity; partnership; integrity and transparency. The Council carries out its work in compliance with relevant legislation and best practice.

Boards, Councils and Committees of the Archbishops' Council

3. In 2010, the following bodies undertook work as committees of the Archbishops' Council:
 - Audit Committee of the Archbishops' Council (chair: Tony Hesselwood)
 - Board of Education (chair: the Bishop of Lincoln)
 - Committee for the Ministry of and among Deaf and Disabled People (chair: the Bishop of Blackburn)
 - Committee for Minority Ethnic Anglican Concerns (chair: the Ven Daniel Kajumba)
 - Council for Christian Unity (chair: the Bishop of Guildford)
 - Deployment, Remuneration and Conditions of Service Committee (chair: the Bishop of Ripon & Leeds)
 - Finance Committee (chair: Andrew Britton)
 - Ministry Council (chair: the Bishop of Norwich)
 - Mission and Public Affairs Council (chair: Dr Philip Giddings)

Staff

4. The Joint Employment and Common Services Board (JECSB) was established specifically to take responsibility for the joint employment relationship between the National Church Institutions (NCIs) 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 Pensions Board and the Chair of the Council's Finance Committee (who chairs the Board) represent the three largest NCIs at member level. The chief officers of the three largest NCIs (the Archbishops' Council, the Church Commissioners and the Pensions Board) also attend its meetings.
5. The JECSB has one sub-group – the Remuneration Com-

mittee – which sets senior pay levels and mandates the management side of the Joint Staff Council for negotiations and consultation with the trade unions.

6. Almost all staff are jointly employed by the NCIs, but managed by one of them. The average number of staff for whom the Council was the managing employer during 2010 was 131 (2009: 143) approximately half men and half women. Around 9.5% of the staff were from a minority ethnic background.

7. The NCIs have several shared service departments which provide services to all the NCIs. The Council manages the Communications, Legal and Human Resources Departments.

Equal opportunities

8. The National Church Institutions are committed to equal opportunities in employment.

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

10. 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 staff.

Trustee recruitment and appointment

11. 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); elected (by the Houses of the General Synod (two from each of the Houses of Bishops, Clergy and Laity); the elected Chair and Vice-chair of the House of Laity and the two Prolocutors; or appointed (by the Archbishops, with the approval of the General Synod, after an extensive public recruitment process). See p.21 for a list of members.

New faces

12. Following elections to the new General Synod and to the Archbishops' Council at the end of 2010 (and into the beginning of 2011), the Council has welcomed the following new members:

The Rt Revd Stephen Croft, Bishop of Sheffield (elected by the House of Bishops)

The Rt Revd Trevor Willmott, Bishop of Dover (elected by the House of Bishops)

The Ven Christine Hardman, Prolocutor of the Lower House of the Convocation of Canterbury (*ex officio*)

Mr Tim Hind, Vice-Chair of the House of Laity (*ex officio*)

The Revd Canon Robert Cotton, Rector of Holy Trinity, Guildford (elected by the House of Clergy)

The Revd Mark Ireland, Vicar of All Saints, Wellington with St Catherine's, Eyton (elected by the House of Clergy)

13. We look forward to working with them over the next five years and to building on their strengths in the work of the Council.

14. The Council is grateful to the retiring members for the work they have done on its behalf:

The Rt Revd Graham James, Bishop of Norwich
The Rt Revd Tim Stevens, Bishop of Leicester
The Ven Norman Russell, Archdeacon of Berkshire
The Revd Prebendary Kay Garlick
The Revd Prebendary David Houlding
Canon Dr Christina Baxter

Trustee induction

15. New and existing members of the Archbishops' Council have the opportunity to meet heads 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 Boards and Councils and of committees and working parties looking into specific areas of the Council's work and operation.

Trustee responsibilities

16. Members of the Archbishops' Council are required to prepare for each financial year financial statements which give a true and fair view of the state of affairs of the Archbishops' Council and of the results for the year. In preparing the financial statements, the Archbishops' Council has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards without any material departures; and
- prepared the financial statements on the going concern basis.

17. They are responsible for safeguarding the assets of the Archbishops' Council, and for taking reasonable steps for the prevention and detection of fraud and other irregularities and providing reasonable assurance that:

- the organisation is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used internally or for publication is reliable; and that
- relevant laws and regulations are met.

Risk Management

18. In accordance with the recommendations of the Statement of Recommended Practice (SORP) 2005 issued by the Charity Commission, the Archbishops' Council has established processes to identify, assess and manage major risks to the achievement of its' objectives. The Archbishops' Council considers the risk management arrangements and the major risks

identified by management, annually, supported by the regular review by the Audit Committee and Finance Committee.

19. Departmental risk registers are maintained and are subject to regular review within departments and by the senior management team.

20. Major risks identified and currently being managed, include those around the maintenance of effective relationships with external stakeholders and the continued delivery of effective services by the efficient use of resources.

21. During 2011, the Archbishops' Council will continue to develop its risk management approach. This will include the implementation of a new risk management policy and methodology and further development of the links between risk management and sources of independent assurance, including internal audit.

Investment

22. The majority of the Council's investments are held in the CBF Church of England Investment fund with smaller holdings in its Property and Fixed Interest Securities Fund. The Council's cash resources are held in its current account or in the CBF Deposit Fund (although its Treasury Management Policy, agreed in 2010, does permit investment with certain other specified institutions).

23. In 2010 the total return achieved by the Investment Fund was 12.9% compared with its composite comparator of 14.4%. The underperformance was in part due to the Fund's stock selection aiming to produce an above average dividend yield (which was achieved – indeed the dividend grew by 3% during the year) and having a lower weighting to property and fixed interest than the comparator.

24. During 2010 the Council established an Investment Committee (as a sub-committee of the Finance Committee) to have responsibility for reviewing and overseeing the management of the Council's investments. This new Committee began its work in November and an investment policy framework was agreed by the Council in early 2011.

Ethical investment

25. The Archbishops' Council supports the work of the Church's Ethical Investment Advisory Group (EIAG), which develops and co-ordinates ethical investment policy on behalf of the three central Church investment bodies. The EIAG makes recommendations based upon considered research, but responsibility for accepting and implementing these rests with the Archbishops' Council, the Church Commissioners and the Church of England Pensions Board respectively.

26. The EIAG publishes an annual report of its work and this is available, together with other related publications, from the Socially Responsible Investment Unit at CCLA and is also available on the Church of England website.

Professional advisers

27. The Council's advisers are listed on p.21. 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.

Other bodies

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

National Church Institutions

29. The Archbishops' Council works in close partnership with the other National Church Institutions: 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.

Administrative information

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

Membership of the Archbishops' Council from 1 January 2010 and up to the date of this report was as follows:

Joint Presidents

The Most Revd and Rt Hon Dr Rowan Williams, Archbishop of Canterbury (6)
The Most Revd and Rt Hon Dr John Sentamu, Archbishop of York (6)

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

The Ven Norman Russell (Canterbury) (until October 2010) (5)
The Ven Christine Hardman (Canterbury) (from December 2010) (-)
The Revd Canon Glyn Webster (York) (3)

Officers of the House of Laity (*ex officio*)

Canon Dr Christina Baxter (Chair, House of Laity) (until October 2010) (5)
Dr Philip Giddings (Vice-Chair, then Chair, House of Laity) (6)
Tim Hind (Vice-Chair, House of Laity) (from December 2010) (-)

Elected by the House of Bishops

The Rt Revd Graham James (until December 2010) (6)
The Rt Revd Timothy Stevens (until December 2010) (4)
The Rt Revd Dr Steven Croft (from January 2011) (-)
The Rt Revd Trevor Willmott (from January 2011) (-)

Elected by the House of Clergy

The Revd Prebendary Kay Garlick (until December 2010) (6)
The Revd Prebendary David Houlding (until December 2010) (6)
The Revd Canon Robert Cotton (from March 2011) (-)
The Revd Mark Ireland (from March 2011) (-)

Elected by the House of Laity

Paul Boyd-Lee (6)
Christina Rees (6)

Appointed by the Archbishops with the approval of the General Synod

Andrew Britton (6)
Mary Chapman (5)
Professor John Craven (3)
Philip Fletcher (6)
The Revd Dr Rosalyn Murphy (5)
Mark Russell (6)

A Church Estates Commissioner

Andreas Whittam Smith, First Church Estates Commissioner (6)

(The figures in brackets indicate the number of meetings each member attended in 2010; the Archbishops' Council met on six occasions in 2010. None of the six new members was a member in time to attend any meetings in 2010.)

Staff Directors of the Archbishops' Council

William Fittall, Secretary-General to the Council and the General Synod
The Revd Janina Ainsworth, Chief Education Officer
The Revd Dr Malcolm Brown, Director of Mission and Public Affairs
Peter Crumpler, Director of Communications
Janet Gough, Director of Cathedral and Church Buildings
The Ven Christopher Lawson, Director of Ministry
Su Morgan, Director of Human Resources
Dr Colin Podmore, Clerk to the Synod and Director, Central Secretariat and Ecumenical Relations (from end March 2011)
Stephen Slack, Head of Legal Office and Chief Legal Adviser to the General Synod
The Revd David Williams, Head of Central Secretariat and Clerk to the Synod (until end March 2011)

Senior staff of Shared Services managed by other NCIs

Michael Cole, Director of Risk Management and Internal Audit (from end September 2010)
Declan Kelly, Director of Libraries, Archives and Information Services
Kim Parry, Head of Internal Audit (until end September 2010)
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, 80 Cheapside, London EC2V 6DZ Tel: 020 7489 6000 Fax: 020 7489 6126
Bankers:	National Westminster Bank plc, City of London Office, 1 Princes Street, London EC2R 8BP
Solicitors:	The Head of the Legal Office of the Archbishops' Council
Auditors:	BDO LLP, Emerald House, East Street, Epsom, Surrey KT17 1HS

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