

Archbishops' Council

2015 Budget

2015 Budget Overview

The recommended Net Expenditure and Apportionment levels for the 2015 budget, together with the changes on the 2014 level are set out below.

Table 1: Summary of 2015 budget					
		Expenditure	Inc/(dec) vs 2014	Diocesan Apportionment	Inc/(dec) vs 2014
		£	%	£	%
Training for Ministry	Vote 1	13,437,670	2.7	13,102,670	1.0
National Church Support	Vote 2	11,103,305	3.9	9,897,000	0.0
Grants & Provisions	Vote 3	1,264,314	(0.4)	1,264,314	2.3
Mission Agencies Pensions	Vote 4	772,500	4.5	772,500	4.5
Clergy retirement housing	Vote 5	4,151,591	5.0	4,151,591	5.0
Total		<u>30,729,380</u>	3.4	<u>29,188,075</u>	1.3

The Council's budgeted expenditure across the five Votes in 2015 is £30.7 million, 3.4% above the 2014 budget level. It is planned that the majority of this expenditure will be funded from the apportionment requested from dioceses of £29.2 million (an increase of 1.3% on 2014 levels).

The 2015 budget has been prepared on the basis of funding £0.30 million from the Vote 2 reserve, £0.67 million from restricted and designated funds and £0.54 million from rent relief granted by the Corporation of the Church House. If none of these funding sources were available the apportionment would have had to rise by a further 5.1% or planned expenditure would need to be reduced.

Table of Contents

Page	
2	Budget Overview
3	Table of Contents
4	Executive Summary
8	Budget Summary
9	Training for Ministry (Vote 1)
19	National Church Responsibilities (Vote 2)
35	Grants and Provisions (Vote 3)
37	Mission Agencies Clergy Pension Contributions (Vote 4)
38	Clergy Retirement Housing (CHARM, Vote 5)
40	Reserves
41	Table of Apportionment

Executive Summary

Introduction

1. This executive summary of the Archbishops' Council's 2015 budget is followed by an overall budget summary and detailed sections on each vote.
2. The overall budget and the resulting apportionment request to dioceses are commended to the General Synod by the Archbishops' Council which endorsed it after detailed scrutiny from its Finance Committee. The Inter-Diocesan Finance Forum (comprising the Chairs of Diocesan Board of Finance, Diocesan Secretaries and a General Synod representative from each diocese) also had an opportunity to comment on the emerging budget.

2015 budget

3. The total expenditure in the Council's 2015 budget is £30.73 million. This is £1.00 million (3.4%) above the corresponding figure for 2014. This includes necessary additional investment in areas such as the training of ordinands, safeguarding and the outworking of previously agreed policy such as a 5% increase in the grant to support the clergy retirement housing scheme.
4. With a planned expenditure increase of this extent it would have been challenging to meet the 2010-2015 strategy review target that the apportionment in 2015 would increase by no more than the rate of inflation. However, the rent relief from the Corporation of the Church House (further detail on this is given in the accommodation section) together with the judicious use of reserves, restricted and designated funds has enabled the Council to propose an apportionment increase of 1.3%.
5. The table below sets out how it is proposed to fund this expenditure, compared with the 2014 budget and the current forecast.

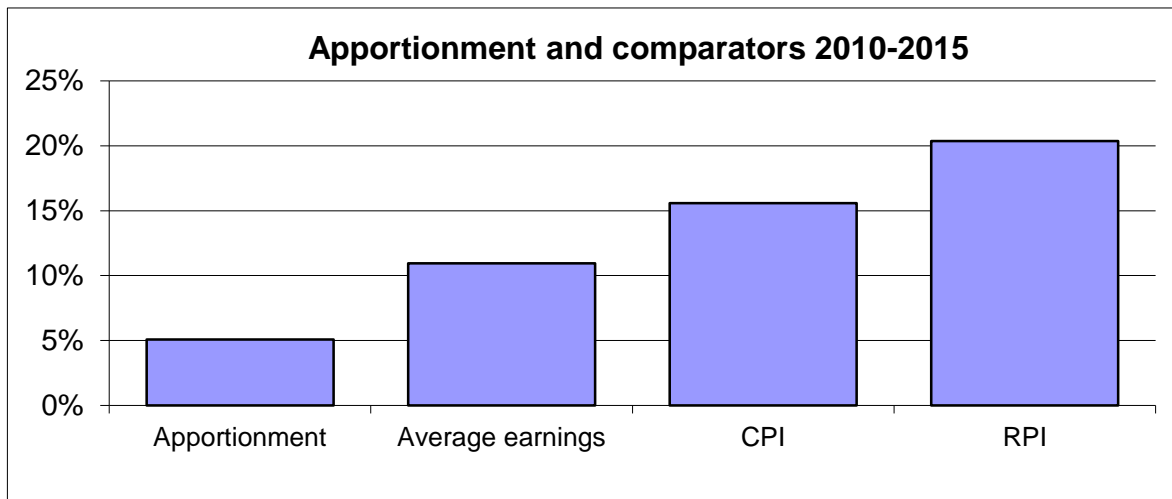
	2014		2015	
	Budget	Forecast	Recommended budget	Change v 2014 budget
	£m	£m	£m	£m
Apportionment	28.80	28.80	29.19	0.39
Restricted and designated funds	0.58	1.16	0.67	0.09
Reserves	0.32	0.46	0.30	(0.02)
Interest	0.04	0.04	0.04	-
Rent relief	-	-	0.54	0.54
Total	29.73	30.46	30.73	1.00

Note: Totals may not cross cast due to roundings.

6. A key aim within the Council's financial framework for 2010-2015 (GS 1731)¹ was for the overall apportionment funded by the dioceses in 2011 and 2012 should increase by no more than 0.5% below the rate of inflation in each of those years, and by no more than the rate of inflation in 2013-2015. On current forecasts for inflation this will be achieved as illustrated in the following chart².

¹ <http://www.churchofengland.org/media/39324/gs1731.pdf>

² Which uses consensus forecasts from HM Treasury Forecasts for the UK economy for future periods.



7. Looking beyond 2015 there are various potential pressures on the Council's budget. To give two examples, it is likely that additional investment will be needed in ministerial training, although the extent of that and the desired outcomes will not be clear until the Resourcing Ministerial Education Review Group has reported and future actions are agreed. Recognising the forecast demand, the Council's grant to support the clergy retirement housing scheme is likely to need to continue to increase at a rate exceeding inflation.
8. To meet its objective of carrying out work that needs to be undertaken, or is most cost effectively undertaken, at national level, the Council cannot continue to constrain the Vote 2 apportionment for ever. Whether further savings can be achieved (the Vote 2 apportionment in 2015 is 3.9% below the 2010 level) or if an increase will be required will be considered when planning for the 2016 budget begins.
9. There will need to be considerable elements of new or expanded work that will need to be resourced such as safeguarding and the change programmes that will flow from the work of the Task Groups looking at resourcing, ministerial education, leadership and simplification once these report and the way forward is agreed. Once work has been identified, the right actions and appropriate funding structures will need to be agreed.
10. A brief summary of the key issues within the 2015 budget, by Vote, is set out below.

Vote 1: Training for Ministry

11. This budget funds the costs met at national level associated with ordination training. The key factors behind this expenditure are the number and "mix" (i.e. college / context based / course, those with dependants / single students) of ordinands and the level of university fees.
12. Based on recent selection trends, it is forecast that, in 2014/15, 17 fewer ordinands will begin college based training and 21 fewer will begin course based training. It is also expected that an additional 17 ordinands will begin context based training in 2014/15 and a further 10 in 2015/16. In aggregate, it is forecast that the number of ordinands in training will remain above 1,200 in both years.
13. Based on these assumptions, national expenditure on training for ministry in 2015 is forecast to be £13.4 million: 2.7% above the 2014 budget level and 0.7% above the current 2014 forecast. However, by using £315,000 of the rent relief, the recommended apportionment increase has been limited to 1.0%. With Vote 1 representing 44% of the overall budget this increases the overall apportionment by 0.4%.

Vote 2: National Church Responsibilities

14. This budget covers the costs of work supporting the Church's mission and ministry to the nation that needs to be undertaken, or is most cost effectively undertaken, at national level.
15. The availability of rent relief together with the judicious use of reserves, restricted and designated funds has enabled the Council to maintain the Vote 2 apportionment at the 2014 level (£9.9 million - the lowest level since 2005) and make additional investment including:
 - Additional resource for safeguarding work equivalent to two full time permanent posts and further resource which may be time limited.
 - A short term additional post in Research and Statistics to help with a one off planned speeding up of the release of annual statistics and the current increase in diocesan demands.
 - Additional project management resource to increase the effectiveness of the on-line faculty simplification system.
 - An increase in the Projects and Development budget funded from Vote 2 as well as a greater use of unrestricted legacy funds than assumed when the 2014 budget was drawn up.
16. The expenditure budget for 2015 is £11.1 million (this is net of a planned vacancy level of 3% of departmental expenditure, in line with the average underspend against budget over the past ten years). This is 3.9% above the 2014 level.
17. 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).

Vote 3: Grants and Provisions

18. This budget comprises the Church of England's contributions to the Anglican Communion Office, Ecumenical activities, the Council's Legal Costs Fund and other grants. 2015 budgeted expenditure is 0.4% less than in 2014 as planned increases in the grant to the Anglican Communion Office and Fresh Expressions are more than offset by the lower grant to Churches Together in England and the reduction in the transfer to the Legal Costs Fund. The 2014 budget included provision to draw £33,000 from reserves. In 2015 it is planned that all expenditure will be met from the apportionment which is therefore 2.3% above the 2014 level at £1.3 million.

Vote 4: Mission Agency Clergy Pension Contributions

19. The Vote 4 budget provides for the pension contributions in respect of clergy who serve with the Partnership for World Mission agencies. The budget makes provision to meet pension contributions for the current number of qualifying clergy and includes allowance for the increase in the contribution rate from the start of 2015 and stipend increases.

Vote 5: Clergy Retirement Housing

20. 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. The budget includes provision for an increase of 5% in line with the Council's commitment to increase its grant by this level to the end of 2015. Given the prospects for future demand it seems likely that above inflation increases will be needed beyond 2015. Despite Vote 5 being only 13.5% of the overall budget, an increase of this size increases the overall apportionment by 0.7%.

The pooling adjustment

21. In addition to the basic maintenance provided from Vote 1, married ordinands and some single ordinands receive additional payments from their sponsoring diocese. Such payments made in accordance with Ministry Division guidelines are ‘pooled’ amongst all dioceses and shared using the apportionment formula. The ‘pooling adjustment’ to be applied alongside the 2015 budget relates to grants paid by dioceses to ordinands in the academic year 2013/2014.

Apportionment

22. 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 2005³ and 2008⁴. 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). The Archbishops' Council has decided that the 2015 cap should be set at two percentage points – the same level as has applied in each year since its inception.

Reserves

23. The Archbishops' Council holds reserves for each vote to manage variations in the pattern of income and expenditure and to provide a modest cushion against unanticipated and unavoidable adverse variations against budget. It reviews the ranges and target levels annually and considers that they remain suitable. None of the maxima exceeds three months' expenditure.

Conclusion

24. General Synod is invited to approve the Archbishops' Council's budgeted expenditure for 2015 as shown in Table 3 below (which includes expenditure planned to be met from rent relief, reserves, restricted and designated funds), together with the apportionment to dioceses, as summarised in Table 4 below:

Table 3: Expenditure budget 2015		2015 budgeted expenditure	% inc/(dec) vs 2014 budget
Vote 1	Training for ministry	£13,437,670	2.7
Vote 2	National Church responsibilities	£11,103,305	3.9
Vote 3	Grants & Provisions	£1,264,314	(0.4)
Vote 4	Mission agency clergy pension contributions	£772,500	4.5
Vote 5	CHARM	£4,151,591	5.0
TOTAL		£30,729,380	3.4

25. This budget would result in the following apportionment to dioceses:

Table 4: Apportionment 2015		2015 budgeted apportionment	% inc/(dec) vs 2014 budget
Vote 1	Training for ministry	£13,102,670	1.0
Vote 2	National Church responsibilities	£9,897,000	0.0
Vote 3	Grants & Provisions	£1,264,314	2.3
Vote 4	Mission agency clergy pension contributions	£772,500	4.5
Vote 5	CHARM	£4,151,591	5.0
TOTAL		£29,188,075	1.3

³ GS Misc 779

⁴ GS Misc 888 - <http://www.churchofengland.org/media/1229440/gsmisc%20888.pdf>

Summary - budget 2015

	Actual 2013 £000s	GS1900 Budget 2014 £000s	March '14 Forecast 2014 £000s	Inc/(Dec) £'000s	Mar14 F/C vs Bud %	Draft Budget 2015 £000s	Inc/(Dec) £'000s	Draft Bud '15 vs GS1900 Bud '14 %
Vote 1 Training for ministry								
Total Expenditure	12,916	13,081	13,346	265	2.0	13,438	357	2.7
Income:								
AC Funded Transfers	321	-	100	100	n/a	-	-	n/a
Corporation Rent Relief	-	-	-	-	-	315	315	n/a
Other income	24	15	20	5	33.3	20	5	33.3
Diocesan Apportionment	12,559	12,975	12,975	-	-	13,103	127	1.0
Total Income	12,904	12,990	13,095	105	0.8	13,438	447	3.4
Movement (to)/from reserves	12	91	250	160		-	(91)	
Vote 2 National Church Responsibilities								
Total Expenditure	10,893	10,687	11,148	461	4.3	11,103	416	3.9
Income:								
AC Funded Transfers	391	578	1,060	482	n/a	668	89	15.5
Corporation Rent Relief	-	-	-	-	-	222	222	n/a
Other income	43	20	20	-	-	20	-	-
Diocesan Apportionment	10,322	9,897	9,897	-	-	9,897	-	0.0
Total Income	10,756	10,495	10,977	482	4.6	10,807	311	3.0
Movement (to)/from reserves	137	192	171	(21)		297	105	
Vote 3 Grants								
Total Expenditure	1,271	1,269	1,269	-	-	1,264	(5)	(0.4)
Income:								
Other income	2	-	-	-	-	-	-	-
Diocesan Apportionment	1,221	1,236	1,236	-	-	1,264	29	2.3
Total Income	1,223	1,236	1,236	-	-	1,264	29	2.3
Movement (to)/from reserves	48	33	33	-		-	(33)	
Vote 4 Mission agency pensions								
Total Expenditure	725	740	740	-	-	773	33	4.5
Income:								
Other income	1	-	-	-	-	-	-	-
Diocesan Apportionment	525	740	740	-	-	773	33	4.5
Total Income	526	740	740	-	-	773	33	4.5
Movement (to)/from reserves	199	-	-	-		-	-	
Vote 5 Clergy retirement housing								
Total Expenditure	3,766	3,954	3,954	-	-	4,152	198	5.0
Income:								
Other income	2	-	-	-	-	-	-	-
Diocesan Apportionment	3,904	3,954	3,954	-	-	4,152	198	5.0
Total Income	3,906	3,954	3,954	-	-	4,152	198	5.0
Movement (to)/from reserves	(140)	-	-	-		-	-	
Votes 1-5 Total								
Total Expenditure	29,571	29,731	30,457	726	2.4	30,729	998	3.4
Income:								
AC Funded Transfers	712	578	1,160	582	100.6	668	89	15.5
Corporation Rent Relief	-	-	-	-	-	537	537	n/a
Other income	72	35	40	5	14.3	40	5	14.3
Diocesan Apportionment	28,531	28,802	28,802	-	-	29,188	386	1.3
Total Income	29,315	29,415	30,002	587	2.0	30,433	1,018	3.5
Movement (to)/from reserves	256	316	455			297	(19)	

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 2013/14 amounted to £5.0 million.

2015 Expenditure:	£13,437,670
<u>Funded via:</u>	
Corporation of the Church House rent relief	£315,000
Bank/Deposit funds interest	£20,000
Diocesan Apportionment	£13,102,670

The scope of the Vote 1 budget

26. The Vote 1 budget covers the tuition costs, university fees, colleges and personal maintenance, book and travel costs of sponsored students prior to ordination.
27. 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.
28. Normally only ordinands sponsored for incumbent-status ministry may undertake full time residential college training. Means tested maintenance and personal grant 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 £5.0 million in 2013/4) 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.
29. 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.
30. 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.
31. The 2015 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.

Re-imagining Ministry

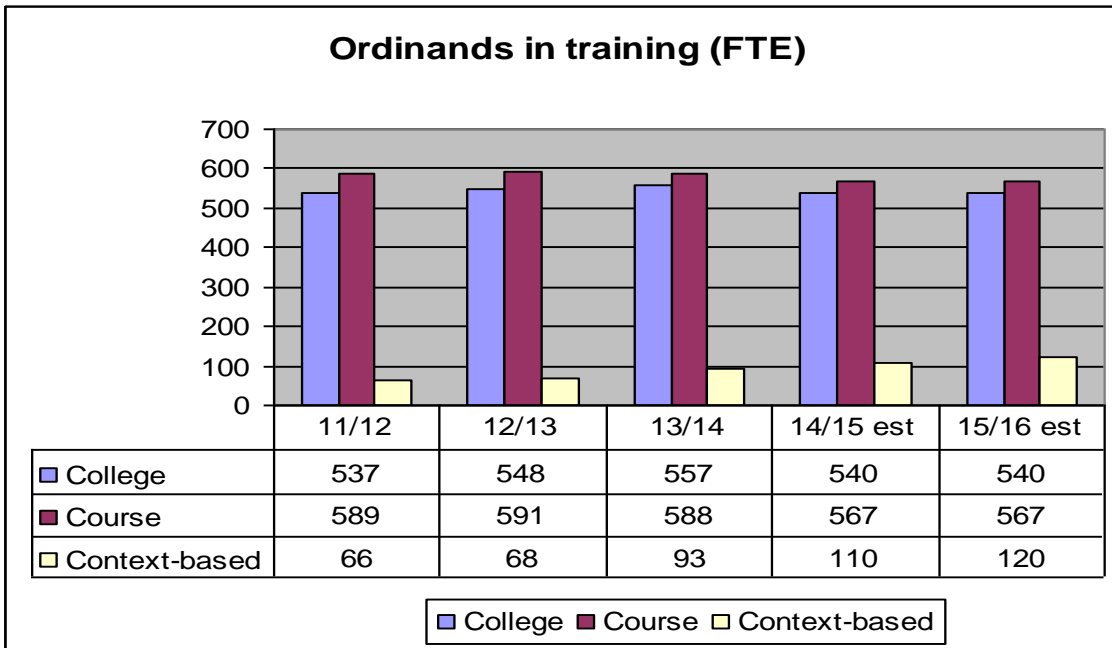
32. In 2010, the General Synod agreed three linked priorities for the next five years in the life of our Church: serving the common good; growing the Church and re-imagining ministry, both lay and ordained. In the words of the then Archbishop of Canterbury we are called: “To re-shape or re-imagine the Church’s ministry for the century coming so as to make sure that there is a growing and sustainable Christian witness in every local community”.
33. In line with the objective of Re-imagining Ministry, a review entitled “Resourcing Ministerial Education” commenced in 2014 under the Chairmanship of the Bishop of Sheffield. This review aims to identify possible links between effective ministers (and therefore effective ministry) and methods of training. Although this review will make an interim report in September 2014, the main findings and recommendations are not expected until early 2015. Hence, while this review has the potential to have a major impact on the church’s spending on ministerial education in the medium term, the effect on Vote 1 in 2015 is likely to be minimal.

Common Awards

34. Work on the national validation agreement with Durham University (the “Common Awards”) has continued throughout 2014. Ministry Division is immensely grateful to all of its colleagues in the colleges and courses who continue to commit very significant amounts of time and effort to ensuring the successful implementation of the Common Awards programme. 2014 has also seen the development of the Common Awards Virtual Learning Environment (“CAVLE”), although it is planned that this will be funded from Ministry Division restricted funds rather than Vote 1.
35. The first courses to be taught under Common Awards will commence in September 2014. While this is a year later than originally intended, the delay is justified by the extra time it has allowed for all those involved in Common Awards to prepare thoroughly for their introduction. Students already in training at September 2014 may have the opportunity to transfer to the Common Awards if they meet certain accredited prior learning criteria, and it is expected that by September 2016 all ordinands will be studying under Common Awards unless they are following a recognised excepted pathway.
36. It is expected that the Common Awards have the potential to provide significant cost benefits once fully operational, and the 2015 budget shows a decrease in university fees compared to 2014 as the first year that the benefit will be felt.

Methodology used in drawing up the training budget

37. 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.
38. Recommended candidates may enter training in September provided they attend a Bishops Advisory Panel (BAP) by 30th June of that year.
39. Analysis of full-time equivalent (FTE) students in training in recent years is shown in the following chart.



Course numbers include those candidates undertaking diocesan pre-theological training. There are estimated to be 10 students in this category in each of the two forthcoming academic years.

Costs

40. 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 2015 budget:

- Tuition costs are expected to increase by 2.7% for colleges and by 2.4% for courses and non-residential context-based training in 2014/2015. These projections take account of the increase in the National Stipend Benchmark of 2.0% from April 2014 and an estimated 2.0% from April 2015.
- Maintenance grants and allowances to students are projected to increase by 2.5% p.a. in both 2014/2015 and 2015/2016 due to cost inflation.
- Pre-theological education costs are projected to remain stable at around £5,000 per annum.
- Demand for special grants – specifically in relation to support for dyslexic and disabled students – has increased recently, and this is reflected in the budget, which shows an increase of £15,000 compared with the 2014 budget.
- University fees are expected to reduce slightly in 2014/15 despite building in an additional £140,000 in that year to reflect the cost of running out existing validation arrangements while also commencing with the Common Awards. From September 2015 cost reductions should be seen as fewer ordinands continue with “legacy” courses.

41. The budgeted average annual cost per ordinand to Vote 1 in 2014/15 of the different types of training are shown in the following table:

	Course (£)	Non-residential context-based (£)	Residential (£)
Tuition fees	5,640	6,768	8,100
University fees	304	771	1,714 ⁵
Maintenance grants and allowances	735	2,182	6,461 ⁶
Total	6,679	9,721	16,275

42. 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.

43. 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 £40,688 based on current costs. An additional average of £12,250 (for the 2013/14 academic year) is paid by sponsoring dioceses in poolable Additional Maintenance Grants for married ordinands. An additional average of £1,370 (2013/14) is payable by sponsoring dioceses in poolable Additional Maintenance Grants for single ordinands.

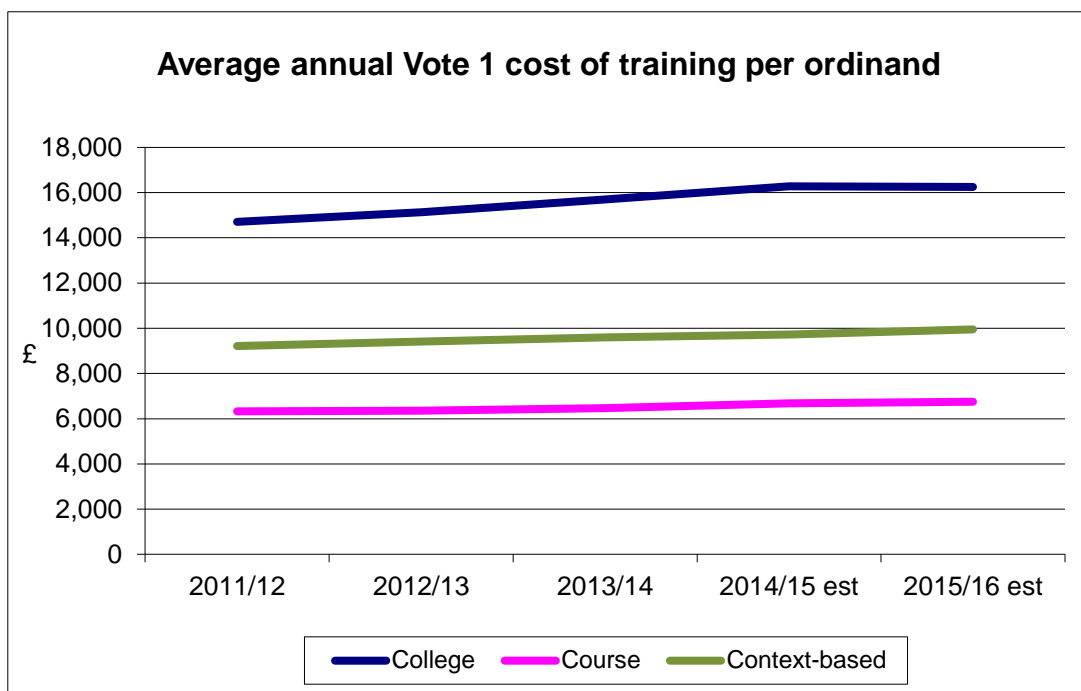
44. In comparison, the average length of non-residential context-based training is 2.7 years, and the average total training cost borne by Vote 1 is therefore £26,247.

45. Whilst the average length of regional course training is currently 2.7 years, the average total training costs borne by Vote 1 therefore being £18,033.

46. 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 2013/14 are shown above).

⁵ This figure includes fees for recognised high-cost pathways, which may be up to £4,500 per ordinand per year

⁶ This is a composite figure - single and married ordinands receive maintenance grants at differential rates



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

University Fees

Taught pathways

49. 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.
50. 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 which is funding the shortfall between the fee chargeable and the Vote 1 contribution, thus enabling ordinands to study on these pathways.

Validated pathways

51. The majority of ordinands are enrolled in courses which are validated rather than taught by a university. From September 2014, all new ordinands will 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
52. 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.
53. 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. This may be due to personal choice, or because Durham University choose to exercise their discretion to not allow the ordinand to transfer under an Accredited Prior Learning agreement. For this reason, these will be an element of double-counting in the validation fees paid in the 2015 budget year (and to a lesser extent in 2016), when the full flat-rate validation fee under Common Awards has to be paid to Durham along with validation fees to existing partner universities.

Deployment of Ordinands into training posts

54. The numbers deployed into training posts in 2013 are set out below. It is expected that the vast majority of candidates trained for stipendiary ministry will find suitable training posts.

Deployment to Title Posts

	<u>2013</u>
Stipendiary*	292
Self Supporting & OLM	182

* reflects some candidates deferring from earlier years

55. Forecasts show a steep decline (given present trends) in the number of stipendiary clergy in the next 10 years. Work will be needed to assess workforce needs and consider how these may be best met through a combination of paid and self-supporting ministries. It is clear that investment in the training of priests remains a strategic priority

Vote 1 Budget

GS1872 2014		Academic	Revised	Academic	Draft	Academic
		Year	Forecast	Year	Budget	Year
		2013/14	2014	2014/15	2015	2015/16
£		£	£	£	£	£
	TUITION COSTS					
4,364,555	Colleges	4,399,201	4,387,800	4,374,000	4,408,900	4,478,800
3,064,910	Courses	3,177,747	3,160,900	3,102,000	3,124,700	3,170,200
619,156	Context-based	614,916	658,100	744,480	773,000	830,000
5,305	Pre Theological Education	5,380	5,425	5,514	5,560	5,652
8,053,926		8,197,244	8,212,225	8,225,994	8,312,160	8,484,652
	UNIVERSITY FEES					
899,612	Colleges	834,900	880,252	925,600	823,770	722,000
147,983	Courses	141,300	154,238	167,200	148,775	130,400
69,255	Context-based	62,775	73,793	84,810	78,465	72,100
1,116,850		1,038,975	1,108,282	1,177,610	1,051,010	924,500
	ORDINAND ALLOWANCES AND MAINTENANCE					
3,482,875	Colleges	3,510,800	3,503,500	3,488,900	3,517,900	3,575,900
412,532	Courses	415,100	411,500	404,300	407,700	414,700
141,234	Context-based	197,346	211,600	240,020	249,300	267,700
40,733	Disability/Dyslexia/Other Grants	56,000	56,467	57,400	57,900	58,800
4,077,374		4,179,246	4,183,067	4,190,620	4,242,800	4,317,100
-167,000	LEA and self funded adjustments	-158,400	-157,900	-156,900	-158,300	-161,000
£13,081,150	TOTAL VOTE 1 EXPENDITURE	£13,257,065	£13,345,873	£13,437,524	£13,437,870	£13,565,452

Details of tuition grants paid to Colleges in the academic year 2013/14

College	FTE Ordinands		Total Tuition Funding
			£
Cranmer Hall Durham	55.0		433,950
Mirfield	29.3		231,440
Oak Hill	45.0		355,050
Queen's College Birmingham	28.2		222,498
Ridley Hall Cambridge	69.3		547,040
Ripon College Cuddesdon	67.3		530,997
St John's College Nottingham	54.1		426,849
St Stephen's House Oxford	36.5		287,985
Trinity College Bristol	53.0		418,170
Westcott House Cambridge	74.5		587,805
Wycliffe Hall Oxford	44.3		349,527
St Michael's Llandaff	1.0		7,890
	557.5		4,399,201

The total maintenance fees and personal grants paid to residential students (including mixed-mode students) in 2013/14 was £3,510,800.

The total university fees paid in respect of ordinands following college based training in 2013/14 was £834,900.

Details of block grants paid to Courses in the academic year 2013/14

	FTE Ordinands		Total Block Funding
	Course	Context-based	£
Bristol OLM pathway (based at Trinity College)	6.9		38,019
Lincoln School of Theology	18.0		99,180
Eastern Region Ministry Course	60.0		330,600
Lancs and Cumbria Training Partnership	16.0		88,160
Lindisfarne RTP	19.0		104,690
St Mellitus College *	56.3	79.0	832,561
Oxford Ministry Course	51.5		283,765
South North West Training Partnership	62.0		341,620
South Central Regional Training Partnership	14.4		79,344
Southern Theological Education and Training Scheme	45.0		247,950
South East Institute for Theological Education	56.0	3.0	328,396
South West Ministerial Training Scheme	35.0		192,850
Queen's Foundation (Course)	42.0		231,420
West of England Ministerial Training Course **	20.3		111,853
Yorkshire Ministry Course	54.3	10.0	365,313
Wycliffe Hall p/t pathway	3.0	1.0	23,142
St John's College Nottingham p/t pathway	16.0		88,160
St Stephen's House p/t pathway	2.0		11,020
	577.7	93.0	3,798,043

* incorporating North Thames Ministerial Training Course

** WEMTC is now incorporated into the Oxford Ministry Course

The total amount of travel and book grants paid to ordinands on regional courses & context-based training during 2013/14 is estimated to be £620,816.

The total university fees paid in respect of ordinands following course based training and context-based training during 2013/14 is estimated to be £204,075.

Pooling of additional maintenance grants for students

56. 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.
57. In July 2011, the General Synod accepted the Sheffield Report's 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.
58. 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 2013/14 academic year, reflected in the apportionment for 2015, is £5.0 million (including the adjustment in respect of the previous year). The pooling adjustment will continue to be made alongside the apportionment for administrative convenience.

Additional maintenance grants paid by dioceses 2013/2014

	DIOCESE	Married	Unmarried	Adjustment	Total
1	Bath and Wells	58,472	0	-4,818	53,654
2	Birmingham	39,213	0	0	39,213
3	Blackburn	134,062	0	-5,591	128,471
4	Bradford	74,765	4,061	1,600	80,426
5	Bristol	61,792	7,325	0	69,117
6	Canterbury	75,770	1,465	-1,510	75,725
7	Carlisle	22,651	2,357	0	25,008
8	Chelmsford	210,127	7,325	540	217,992
9	Chester	100,711	8,367	554	109,632
10	Chichester	158,714	8,790	-22,723	144,781
11	Coventry	25,718	5,870	0	31,588
12	Derby	80,232	0	0	80,232
13	Durham	39,669	5,860	1,015	46,544
14	Ely	213,600	15,035	-426	228,209
15	Exeter	83,295	4,395	0	87,690
16	Gloucester	118,357	1,721	5,881	125,959
17	Guildford	110,833	4,290	0	115,123
18	Hereford	52,524	1,465	-3,662	50,327
19	Leicester	54,767	7,852	98	62,717
20	Lichfield	142,091	21,621	-1,286	162,426
21	Lincoln	20	1,465	0	1,485
22	Liverpool	82,031	21,741	-16,913	86,859
23	London	732,661	35,827	3,063	771,551
24	Manchester	175,570	10,255	5,235	191,060
25	Newcastle	45,963	5,775	-7,929	43,809
26	Norwich	40,579	4,395	158	45,132
27	Oxford	276,011	7,998	-4,943	279,066
28	Peterborough	42,447	4,395	0	46,842
29	Portsmouth	59,471	1,465	0	60,936
30	Ripon	67,991	2,400	0	70,391
31	Rochester	189,677	2,930	64	192,671
32	St Albans	161,545	19,493	1,494	182,532
33	St E&I	29,248	1,465	-4,805	25,908
34	Salisbury	121,456	4,395	3,696	129,547
35	Sheffield	91,170	1,465	640	93,275
36	Sodor and Man	0	0	0	0
37	Southwark	204,794	14,650	0	219,444
38	Southwell and Nottingham	113,828	15,987	-1,222	128,593
39	Truro	80,102	17,032	0	97,134
40	Wakefield	97,181	1,150	1,231	99,562
41	Winchester	142,320	2,930	3,818	149,068
42	Worcester	20	5,860	0	5,880
43	York	74,832	20,510	2,300	97,642
44	Europe	1,352	7,030	812	9,194
45	Armed Forces	320	0	0	320
	Life Assurance Scheme	30,720	0	0	30,720
	TOTAL	4,718,672	318,412	-43,629	4,993,455

Totals include an estimate for the final term of 2013/14.

An adjustment will be made next year for any difference between the actual grants paid and the estimate.

The adjustment figure is the difference between actual grants paid in 2012/2013 compared with the estimate made last year.

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.

2015 net Expenditure:	£11,103,305
<u>Funded via:</u>	
Council Restricted/Designated Funds	£667,703
Corporation of the Church House rent relief	£222,000
Bank/Deposit funds interest	£20,000
Vote 2 reserves	£296,602
Diocesan Apportionment:	£9,897,000

59. The 2015 budget has been prepared within the context of the three quinquennial themes that were considered to provide a robust framework for the work of the Church of England at national level over the 2011-2015 lifetime of this Synod⁷, i.e.:

- Contributing as the national Church to the common good;
- Facilitating the growth of the Church; and
- Re-imagining the Church's ministry.

60. The Council has adopted a revised business planning approach in which it reviewed objectives and measures of achievement in the Spring and will receive an update of this information focusing on 2015 in the Autumn. The main priorities of each of the divisions are summarised in the following section.

⁷ GS1815

Vote 2 summary						
	Actual	GS1900				
	2013	Budget	Forecast	Budget	Inc/(Dec)	Bud 2015
	2013	2014	2014	2015	vs 2014 Bud	
	£	£	£		£	%
National Church Responsibilities						
Expenditure						
AC main divisions						
Central Secretariat	2,036,777	1,838,068	1,935,451	2,075,933	237,864	12.9
Ministry Division	1,519,908	1,541,498	1,537,094	1,537,580	(3,917)	(0.3)
Education	661,510	744,428	698,213	753,134	8,706	1.2
Mission & Public Affairs	1,224,295	1,302,449	1,285,370	1,349,131	46,682	3.6
Cathedral & Church Buildings	858,863	903,788	954,477	908,608	4,820	0.5
Projects & Development	198,036	269,231	409,488	376,008	106,777	39.7
Shared Services costs						
AC managed depts						
Communications	454,504	397,698	393,409	414,274	16,576	4.2
Human Resources	396,646	391,971	375,322	377,051	(14,920)	(3.8)
Legal	655,867	635,497	668,275	674,940	39,444	6.2
PB managed dept						
Internal Audit	71,184	78,285	77,619	77,168	(1,117)	(1.4)
CC managed depts						
Finance & Resources	819,437	838,336	840,004	847,834	9,498	1.1
Records	189,771	209,487	208,255	210,591	1,105	0.5
IT & Office Services	488,616	501,058	467,770	491,614	(9,445)	(1.9)
IT Infrastructure Project	-	-	250,000	50,000	50,000	n/a
Other National Support costs						
CHP (incl Crockfords)	(26,610)	7,649	1,150	(10,973)	(18,623)	(243.5)
Accommodation	1,037,970	1,174,507	1,098,053	1,137,077	(37,429)	(3.2)
Depreciation	161,665	33,335	33,335	33,335	-	-
Vacancy Provision		(280,000)	(185,000)	(300,000)	(20,000)	7.1
Contingency	144,421	100,000	100,000	100,000	-	-
TOTAL V2 Expenditure	10,892,859	10,687,284	11,148,284	11,103,305	416,021	3.9
Income						
Diocesan Contributions						
	(10,321,700)	(9,897,000)	(9,897,000)	(9,897,000)	-	-
AC Funds Transfers						
Church & Community Fund Grant	(240,000)	(225,000)	(225,000)	(225,000)	-	-
Other Restricted Funds	(151,378)	(240,341)	(253,630)	(148,703)	91,638	(38.1)
Unrestricted Legacies (Des) Fund	-	(113,000)	(237,000)	(201,000)	(88,000)	77.9
CH Planned Maint (Des) Fund	-	-	(250,000)	(50,000)	(50,000)	n/a
GS Sundry (Des) Fund	-	-	(94,500)	(43,000)	(43,000)	n/a
Total AC Funds Transfers	(391,378)	(578,341)	(1,060,130)	(667,703)	(89,362)	15.5
Other						
Corporation Rent Relief	-	-	-	(222,000)	(222,000)	n/a
Bank Interest / Deposit Funds / Other	(43,001)	(20,000)	(20,000)	(20,000)	-	-
Total 'Other'	(43,001)	(20,000)	(20,000)	(242,000)	(222,000)	1,110.0
TOTAL V2 Income	(10,756,079)	(10,495,341)	(10,977,130)	(10,806,703)	(311,362)	3.0
Movement (to)/from Reserves	136,780	191,943	171,155	296,603	104,659	

Central Secretariat

(including the Office of the Secretary General)

Secretary General	William Fittall
Director	Jacqui Phillips
Staff (FTE)	25.8
2015 Net Expenditure	2,075,933
Funded via:	
Archbishops' Council Designated Funds	43,000
Corporation of Church House rent relief	109,000
Vote 2	1,923,933

61. 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 General Synod, its associated bodies, and the Archbishops' Council.
- Provision of statistics and management information to support the strategy and planning of the National Church and the dioceses.
- Servicing the ecumenical work of the Council for Christian Unity, supporting the Archbishop of Canterbury's ecumenical work, providing theological support for the House of Bishops and supporting the work of the Faith and Order Commission.
- Implementing the work plan of the Dioceses Commission and ensure follow-up, especially to the Yorkshire reorganisation scheme.
- Delivering the work plan of the Liturgical Commission, especially the new Accessible Language Baptism Texts and the provision of website liturgical material to commemorate World War 1.
- Developing national policies and governance, training and audit processes to enable the Dioceses to achieve the 'Towards a Safe Church' Safeguarding programme.

Ministry Division

Chair (of Ministry Council)	The Rt Revd Steven Croft, Bishop of Sheffield
Director	Ven Julian Hubbard
Staff (FTE)	22.4
2015 Net Expenditure	1,537,580
Funded via:	
Archbishops' Council Restricted Funds	66,757
Corporation of Church House rent relief	60,000
Vote 2	1,410,823

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

- Vocation and selection, chiefly the provision of a national selection system – Bishops' Advisory Panels (BAPs).
- Initial Ministerial Education for licensed ministers.
- Ministry Development, providing advice and consultancy on lay and ordained ministry.
- Finance, administering the budget for initial ministerial training (Vote 1).

63. 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).

64. The main objectives are:

- To complete the review of Resourcing Ministerial Education and implement changes.
- To implement the Common Awards for ministerial education.
- In collaboration with Education Division, to complete and follow up the review of lay development and ministry.
- To implement the changes recommended by the CMD review.

Education Division

Chair (of Board of Education)	The Rt Revd John Pritchard, Bishop of Oxford
Director	Revd Janina Ainsworth (to end August 2014) Revd Nigel Genders (from September 2014)
Staff (FTE)	8.9
2015 Net Expenditure	753,134
Funded via:	
Archbishops' Council Restricted Funds	4,762
Corporation of Church House rent relief	35,000
Vote 2	713,372

65. The work of the Church of England Education Office – incorporating the Education Division, and National Society – is to:

- Be the national voice for the Church and Education, including the promotion of Religious Education.
- Support and improve Church of England Schools.
- Provide new resources for children and youth engagement with the Church.
- Strengthen resourcing of Church universities and colleges and Higher & Further Education Chaplains.

66. Current priorities include:

- Developing strategy leading to 2015 election and maintain relationship with Ministers, the Department for Education and national organisations to shape national policy.
- Furthering follow up of Church School of the Future programme - including developing a training booklet for all clergy and resources such as a rural schools booklet.
- Broadening support for Diocesan Boards of Education and school chaplains.
- Reviewing of lay ministry and discipleship (with Ministry Division).
- Revising online resources for chaplains in Higher & Further Education and publish training material for Church universities.

Mission & Public Affairs (MPA) Division

Chair (of MPA Council)	Philip Fletcher
Director	Revd Dr Malcolm Brown
Staff (FTE)	18.9
2015 Net Expenditure	1,349,131
Funded via:	
Archbishops' Council Restricted Funds	59,921
Corporation of Church House rent relief	6,000
Vote 2	1,283,210

67. The Division leads on areas of public ethics where the Church's national voice must be articulated and to support the work of dioceses and parishes in mission. MPA staff bring expertise across a wide range of issues including home affairs; international and development affairs; marriage, family and sexuality issues; medical ethics and social care policy, minority ethnic Anglican issues, mission and evangelism; rural, community and urban affairs and European affairs.

68. MPA's current priorities include:

- Continue to support and resource the Lords Spiritual, including induction for new Lords Spiritual, briefing on Bills, building Parliamentary relationships and setting up clusters around key issues.
- Push forward the Archbishop of Canterbury's Credit Union support programme within the Church and across the finance sector through the Task Group.
- Build and develop the Fresh Expressions (FX) working group and establish relationship with the new FX Team leader and other stakeholders.
- Support and contribute to the work of the Intentional Evangelism Task Group.
- Maintain and develop the How2Help website for resourcing Christian Community Action projects throughout the Church of England.
- Support for parishes where Christians are a religious minority (Presence and Engagement programme).
- Provide two vocations conferences for Black and Minority Ethnic candidates, in partnership with Ministry Division.
- Build on the findings of our research on Multi Parish Benefices to support rural parishes more strongly.
- Continue to support the post-Pilling process of Facilitated Conversations.

Cathedral & Church Buildings (CCB) Division

Chair	The Rt Revd Richard Chartres, Bishop of London
Director	Janet Gough
Staff (FTE)	13.9
2015 Net Expenditure	908,608
Funded via:	
Archbishops' Council Restricted Funds	17,263
Corporation of Church House rent relief	32,000
Vote 2	859,345

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

- Influencing government on all matters relating to church buildings and cathedrals.
- Providing advice and training and resource the wider Church in relation to its built heritage.
- Raising funding for church buildings and cathedrals and distribute it efficiently and effectively.

70. Current priorities include:

- Campaigning to ensure Government/Heritage Lottery Fund long-term funding for church building.
- Petitioning Government to mitigate the impact of HS2 on parish churches and their communities.
- Developing an online faculty applications system and national church heritage database and deliver training for Archdeacons and Diocesan Advisory Committee Secretaries.
- Providing expert advice and, where appropriate, decisions relating to the Church's built heritage through the Cathedrals Fabric Commission, the Church Buildings Council and its sub Committees.
- Continue embedding good practice on open and sustainable churches across dioceses, including support for the greater churches in writing conservation management plans and educational and engagement initiatives with young people and others and to improve the visitor experience across all our church buildings.
- With MPA, developing the Shrinking of the Footprint campaign to raise awareness and decrease energy use and costs across the Church and promoting renewable energy installations.
- Fundraising ambitions include raising £3 million in additional funding for 100 Church Treasures. Provide secretariat for distribution of the Chancellor's £20 million First World War Centenary Cathedral Repairs Fund.

71. The division's continues to work on improving its two-way communications with existing and new stakeholders, particularly focusing on attracting younger supporters of church buildings.

Projects & Development

Chair (of Project Reference Group)	Philip Fletcher
Head	Revd Dr Sandra Millar
Staff (FTE)	2.0
2015 Net Expenditure	376,008
Funded via:	
Archbishops' Council Restricted Funds	201,000
Corporation of Church House rent relief	-
Vote 2	175,008

72. The main area of focus will be to begin the roll out of the Christening and Funeral Projects to all Dioceses. The completion of research and the testing of new resources and training in pilot dioceses will ensure that an effective programme is offered to parishes which will support the Church's ministry at the baptism of a child and also its ministry around funerals.

Church House Publishing (incl Crockfords)

Head	Thomas Allain-Chapman
Staff (FTE)	3.6
CHP Trading Surplus & Other Income	(194,600)
CHP Admin Expenditure	125,900
Crockfords Admin Expenditure	57,727
2015 Net Surplus	(10,973)
Funded via:	
Archbishops' Council Restricted Funds	-
Corporation of Church House rent relief	-
Vote 2	(10,973)

73. Current priorities for Church House Publishing (CHP) include the publication of the remaining volumes of the Pilgrim course and the development and launch of a new Crockford Online platform – ten years on from the launch of the subscription service. Alongside this, further expansion of CHP's app & ebook programme is planned alongside work on a new, fast-response "Digital-only" imprint, enabling CHP to commission short essays on matters where the Church can "contribute as the national Church to the common good."

Communications

Director	Revd Arun Arora
Staff (FTE)	8.3
2015 Net Expenditure	717,581
Funded via:	
Church Commissioners	218,943
Church of England Pensions Board	84,364
Archbishops' Council via Vote 2	414,274

74. Current priorities include:

- Resourcing dioceses to communicate positive stories on a monthly basis through the provision of written and audio visual material to Dioceses.
- Deliver Anglican Voices Project and year long “@Ourcofe” Twitter project with 52 users from across the Church tweeting local life from a Church of England perspective.
- Review, design and deliver new Church of England website and intranet for the National Church Institutions (NCIs).
- Increase production of audit and video material for various aspect of NCIs work e.g. interviews with Bishops in the Lords, interviews at Synod.
- Delivery of over 40 courses covering a wide range of communication needs including media training to all newly appointed Diocesan and Suffragan Bishops.
- Timely production of Daily Media Digest and monthly In Review and In Focus.

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	Vacant
Staff (FTE)	11.0
2015 Net Expenditure	790,452
Funded via:	
Church Commissioners	248,041
Church of England Pensions Board	165,361
Archbishops' Council via Vote 2	377,051

75. 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.

76. 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).
- Trial use of development centres to improve senior employee personal awareness in relation to people management, communication and leadership competence.
- 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.
- 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'.

Legal Office

Director	Stephen Slack
Staff (FTE)	11.5
2015 Net Expenditure	1,225,194
Funded via:	
Church Commissioners	537,417
Church of England Pensions Board	12,837
Archbishops' Council via Vote 2	674,940

77. The Legal Office's main functions can be summarised as supporting the legislative function of the General Synod and servicing the Synod, and undertaking advisory work, property-related work and clergy discipline related work.

78. Its current priorities include:

- Advancing as rapidly as possible the draft legislation and related instruments on Women in the Episcopate, with a view to being in a position to secure Final Approval, if desired, within the lifetime of this Synod.
- Taking forward other draft primary legislation and advancing secondary legislation as rapidly as possible.
- Working with the Central Secretariat to service groups of sessions of the General Synod, especially by ensuring their procedural integrity.
- Providing 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 for 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 CDM 2003, the work of the Clergy Discipline Commission and the work of the President and Deputy President of Tribunals.

Risk Management & Internal Audit

Chair (of Archbishops' Council Audit Committee)	Mary Chapman
Head	Michael Cole
Staff (FTE)	5.9
2015 Net Expenditure	443,710
Funded via:	
Church Commissioners	229,355
Church of England Pensions Board	137,187
Archbishops' Council via Vote 2	77,168

79. In addition to servicing the NCIs' Audit Committees, the department will work with senior management and staff to embed the risk management framework by:

- Assisting risk owners to regularly update risk registers aiming to create a more dynamic risk register 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.
- Continue to deliver an efficient and effective internal audit function which meets the assurance needs to the Trustee bodies and management.
- Ensure prompt follow up of recommendations and management actions.

Finance & Resources

Director	Ian Theodoreson
Staff (FTE)	57.5
2015 Net Expenditure	3,616,793
Funded via:	
Church Commissioners	1,907,668
Church of England Pensions Board	861,291
Archbishops' Council via Vote 2	847,834

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

81. Current priorities include:

- Support the Resourcing the Future and Ministerial Training reviews and the Pensions Board in the development of plans for sustainable clergy retirement housing scheme.
- Further expand the Parish Buying programme to enable Parishes, Church schools and other Church organisations procure services more effectively.
- Begin roll out of the Parish Giving Scheme to help improve robustness of parish and diocesan finances.
- Provision of consultancy services to dioceses.
- Develop the assessment of financial health of dioceses and other key church bodies, provides indicators with comparative information.
- Complete a feasibility study for providing payroll services to dioceses for lay staff by end 2014.

Records

Director	Declan Kelly
Staff (FTE)	9.7
2015 Net Expenditure	751,498
Funded via:	
Church Commissioners	490,263
Church of England Pensions Board	50,644
Archbishops' Council via Vote 2	210,591

82. 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.

IT & Office Services

Head	Yasmin Thompson
Staff (FTE)	21.2
2015 Net Expenditure	1,380,676
Funded via:	
Church Commissioners	622,099
Church of England Pensions Board	266,963
Archbishops' Council via Vote 2	491,614

83. Following a review, there will be a programme of investment in the NCIs IT infrastructure during 2014/15 to ensure that support across the NCIs is cost-efficient and structured to support their current and emerging business needs.

- The IT department will continue to provide core services to the NCIs and the new Head of IT will, with the newly formed governance develop an IT strategy to ensure the ongoing technology needs of the NCIs are effectively supported so that they in turn can best support the wider church.
- Office Services will continue to provide a range of facilities management services including telephony, meeting room stewarding and print room services.

IT infrastructure project

Chair (of IT Governance Committee)	Bernadette Kenny
Head (of IT)	Yasmin Thompson
Project Manager	To be appointed
Staff (FTE)	1.0
2014-2015 Project Budget	1,050,000
Funded via:	
Church Commissioners	2014: 415,000 - 2015: 85,000
Church of England Pensions Board	2014: 205,000 - 2015: 45,000
Archbishops' Council via Designated Funds	2014: 250,000 - 2015: 50,000

84. During 2014-2015 the new Head of IT will lead a project to renew the NCIs' core IT infrastructure as recommended in the 2013 review of the IT service. The purpose of this is to make sure that the NCIs' IT infrastructure is, and continues to be, fit for purpose in helping staff work effectively. It is very likely that this will see the national church take advantage of the flexibility and scalability of cloud-based technology services.

Accommodation

2015 Expenditure due under lease	2,565,550
Funded via:	
Church Commissioners	923,085
Church of England Pensions Board	376,623
Other tenants	128,765
Archbishops' Council via Vote 2	1,137,077
Corporation of Church House rent relief	(1,304,100)

85. 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.
86. Since the major refurbishment of the building completed in 2006/7 which included making the offices open plan in readiness for the arrival of Commissioners' staff from 1 Millbank, the Corporation has needed to replenish its reserves. In recent years the Corporation has relieved the NCIs of certain costs by means of a lease waiver, most recently to cover the costs of the external window refurbishment. In addition it has agreed to offer the NCIs relief on their rent liability for 2015 and, potentially for a further period.
87. This has enabled the Council to make necessary additional investment in several areas without it needing to ask dioceses to pay additional sums by way of the apportionment. The Council has also been keen to use its relief from the rent liability in ways that will minimise the impact on dioceses when the relief ends or is reduced. In 2015 it is planned to use the rent relief as follows:
- £195,000 for training additional ordinands on context-based training pathways (which would otherwise be funded via the Vote 1 apportionment).
 - £120,000 contribution towards Common Awards validation (which would also need to be otherwise funded via the Vote 1 apportionment).
 - £72,000 on additional national resources for safeguarding which have the potential to be time-limited.
 - £60,000 towards the Ministry Division's work to encourage Young Vocations.
 - £37,000 for a time limited post in the Research and Statistics Unit with a focus on facilitating quicker release of annual statistics.
 - £32,000 for additional project management resource to increase the effectiveness of the on-line faculty simplification system.
 - A £15,000 contribution to the Education Office's work supporting a national framework for church school leadership and resources for governors.
 - £6,000 for the Evangelism Task Group.
88. The Corporation's decision will also save the Church Commissioners £469,000 and the Pensions Board £191,000 in 2015. Their respective governing bodies will determine how this rent relief will be used in due course.

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. ‘Minor grants’ were the only new category to be added to the budget since the Council’s inception, but a new grant for Fresh Expressions is budgeted for in 2015.

2015 net Expenditure:	£1,264,314
<u>Funded via:</u>	
Diocesan Apportionment	£1,264,314

89. 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 and 3% in 2014, the 2015 grant is budgeted at 2.0% above the 2014 level.
90. 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’s decisions for 2015 grants are summarised below:
- The Archbishops’ Council’s contribution towards CTE in 2015 will be £230,000 – £15,000 less than in 2014.
 - The grant to CTBI will be maintained at £15,000.
 - In 2004 the Archbishops’ Council decided that its core contributions to the WCC should be frozen for the foreseeable future. The 2015 budget maintains this freeze (though the overall grant is £30,000 less than in 2014 when it included £30,000 towards the costs of the Assembly which is held every seven years).
 - The Council continues to support the on-going reform of CEC which, in time, should lead to a more cost-effective organisation. The budget includes provision for the grant to CEC to be maintained at the 2014 level.
91. National support, through Vote 3, is also provided to the Church Urban Fund (CUF). The Council’s 2015 budget contribution has been held at £203,000 – the same level as in the previous five years.
92. 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.
93. Recognising that the Legal Costs Fund now holds a balance of almost £1.6 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 decrease by a third to £20,000 in 2015.

94. 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.
95. The overall impact of the above changes is that the total Vote 3 budgeted expenditure for 2015 is 0.4% below the 2014 budget.
96. The 2014 budget was drawn up on the basis of using £33,000 from reserves rather than passing on the whole cost to dioceses via the apportionment. Now the Vote 3 reserve is closer to its target level (the mid-point of its policy range) the budget makes provision for all expenditure to be met from the apportionment. As a result of this, the increase in apportionment is 2.3%.
97. The detailed analysis of grants made from Vote 3 is as follows:

	Actual 2013 £	Budget 2014 £	Budget 2015 £
<u>Anglican Communion Activities</u>			
Inter Anglican Budget (Anglican Communion Office)	492,900	507,687	517,840
	<hr/>	<hr/>	<hr/>
	492,900	507,687	517,840
<u>Ecumenical Activities</u>			
Churches Together in England	245,000	245,000	230,000
World Council of Churches	138,000*	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	34,351	20,000	20,000
	<hr/>	<hr/>	<hr/>
	522,825	478,474	463,474
<u>Other grants</u>			
Church Urban Fund	203,000	203,000	203,000
Legal Costs Fund	50,000	30,000	20,000
Fresh Expressions	-	30,000	40,000
Minor grants	2,632	20,000	20,000
	<hr/>	<hr/>	<hr/>
	255,632	283,000	283,000
TOTAL	<hr/>	<hr/>	<hr/>
	1,271,357	1,269,161	1,264,314

*Including £30,000 for the WCC Assembly, held every seven years.

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.

2015 net Expenditure: £772,500

Funded via:

Diocesan Apportionment £772,500

98. 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 with an average of 87 qualifying clergy in 2013.
99. The 2015 budget takes account of the 2.0% increase in the National Minimum Stipend in the 2014/15 stipend year and the increase in the contribution rate in 2015 from 38.2% to 39.9%, of the pensionable stipend. Planning on this basis with current numbers results in budgeted expenditure in 2015 being 4.5% more than the 2014 budget. As in 2014, the budget provides for all planned expenditure to be funded from the apportionment which also will increase by 4.5%.
100. 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.
101. The table below shows the average numbers (full-time equivalents) of qualifying clergy employed by the Mission Agencies across the 2010-2014 period.

	2010	2011	2012	2013	2014
	Ave FTE	Ave FTE	Ave FTE	Ave FTE	(Q1) Ave FTE
CCE – Papua New Guinea Church Partnership	1.0	1.0	1.0	1.0	1.0
Church Army	5.0	5.0	6.0	4.3	4.0
CMS	13.0	15.0	15.3	16.5	18.0
CPAS	9.8	8.4	3.8	5.0	5.0
Crosslinks	24.3	21.5	20.3	21.5	23.0
Inter-Continental Church Society	6.0	6.0	6.0	5.8	5.0
Jerusalem & Middle East CA	1.0	0.8	-	-	-
Mission to Seafarers	16.0	14.0	13.5	19.0	18.0
SOMA	2.0	1.0	1.0	1.0	1.0
South American Mission Society	9.5	10.3	9.5	10.0	10.0
USPG	5.5	4.0	3.0	3.0	2.0
TOTAL	93.1	87.0	79.4	87.1	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. The remaining subsidy was funded by the Church Commissioners until 2005 since when the Council has met this part of the subsidy, enabling the Commissioners to make an equivalent additional sum available to dioceses as parish mission and ministry support grants. 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.

2015 net Expenditure:	£4,151,591
<u>Funded via:</u>	
Diocesan Apportionment	£4,151,591

102. 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.
103. 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 a new or an existing vacant property. The contribution towards costs payable by beneficiaries is currently limited to 30% of their total income. From April 2015, rent will be charged on a 'target rent' basis as widely used in the Housing Association sector. This new system will be very gradually phased in for existing CHARM customers.
104. In recent years the number of properties in management has steadily decreased. At the end of 2013 there were 2,257 properties in the scheme (value-linked mortgages 976, shared ownership 115 and rented 1,166. This is 20.7% 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.
105. Since the scheme's inception, the Pensions Board has used its charitable funds to purchase some properties and at the end of 2013 held a 100% interest in 492 properties (representing 42% of rental scheme properties within the scheme). 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 £2.4 million p.a. (including property financed by the commercial loan and Pensions Board Trusts).
- When Commissioners' loans are repaid, they receive the same proportion of the sale proceeds as their original investment related to the purchase price (adjusted for any additional loans or part repayments during the life of the loan). 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 a loan facility of £50 million from a commercial provider. £28.5 million had been drawn down by the end of 2013 and the facility is likely to meet capital requirements for the next two to three years.

106. 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.
107. With this increased support from the Pensions Board's charitable funds the increase in planned expenditure from Vote 5 in 2015 has again been limited to the 5% p.a. agreed in the Council's Financial Strategy Review for 2010-2015. However, the Pensions Board – in liaison with the Council – will need to regularly review its ability to maintain this arrangement in the light of events and the cost of running the scheme each new tranche of borrowing including factors such as interest charges, maintenance and repair works, insurance and salary costs, borrowing facility and arrangement fees. The planned new strategy of moving to a choice based lettings system and moving towards charging customers a 'target rent' which will be explained in greater detail in the Synod presentation on the scheme and accompanying paper will also need to be taken into account.
108. Under the 2010 financing arrangement the Pensions Board must meet various loan covenants including one relating to the ratio between its income (including realised profits on sale of CHARM properties purchased from its charitable funds) and expenditure. If there were doubts about the Pensions Board's ability to meet this covenant in any year the Council would need to provide a greater proportion of the overall CHARM subsidy and such a request could come at quite short notice. An additional contribution from the Council in such circumstances would help avoid the situation where the covenant was breached, resulting in an increase in the on-going costs of the scheme and potentially threatening its sustainability.
109. There are no immediate concerns about the Pensions Board's ability to meet the key loan covenants, but it is dependent on property sales, which could dry up for a period without much warning.
110. The 2013 budget was prepared on the basis that diocesan contributions would exceed expenditure by around £139,000 enabling reserves to be built up towards their target level. Matching the £188,000 (5.0%) increase in Vote 5 expenditure via diocesan contributions in 2014 results in a £49,000 (1.3%) increase in apportionment.
111. In 2013 the support provided for clergy retirement housing from the Pensions Board's charitable funds included £0.2 million in respect of costs relating to refinancing. The total cost to the Church of the housing support provided for retired clergy in 2013 was £9.9 million, £0.6 million of which related to supported housing and housing care homes, analysed as follows:

	£m
Grant support for CHARM from Vote 5	3.8
Net cost to the Pensions Board of CHARM rental scheme	2.5
Net cost to the Pensions Board of CHARM mortgage scheme	0.4
Net cost to the Pensions Board of CHARM shared ownership scheme	0.2
Net cost to the Pensions Board for Supported Housing and Housing Care Homes	0.6
Support for clergy retirement housing per financial statements	7.5
Pensions Board interest foregone	2.4
Total support for clergy retirement housing	9.9

Reserves

112. 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.

113. 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'). This will give the Council 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.

114. The minimum, maximum and medium term target levels under the Council's policy, together with forecast reserves at the beginning and end of 2015, are set out below.

	Policy		Forecast		
	Minimum (1.5 months net expenditure) as at end 2015 £000s	Maximum (3 months net expenditure) as at end 2015 £000s	Start 2015 £000s	End 2015 £000s	Medium- term Target £000s
Vote 1	1,638	3,276	2,367	2,367	2,457
Vote 2	1,274	2,548	2,502	2,205	1,911
Vote 3	158	316	258	258	237
Vote 4	97	193	130	130	145
Vote 5 (including designated fund)	519	1,038	789	789	908

Apportionment

115. The recommended apportionment table for 2015, using the usual formula, is shown on the following page.

116. One of the recommendations implemented in 2008, following the Apportionment Limited Review Group's report (GS Misc 888), was for a cap which would guarantee that the maximum apportionment increase to be requested from any diocese would be no more than a fixed percentage above the overall apportionment increase. The Council has set this cap at two percentage points for the 2015 budget (the level set each year since the 2009 budget). Thus in 2015, with the overall recommended apportionment increase at 1.3%, the maximum increase for any diocese (before the pooling adjustment) is 3.3%. One diocese – London - faces an increase at the maximum level.

Table of Apportionment for 2015

Diocese	Training for Ministry	National Church Responsibilities	Grants & Provisions	Inter-diocesan support of Mission Agency clergy pension contributions	CHARM	Apportionment 2015	% change 2015 on 2014	Final Pooling 2013/2014 - awaiting data from 2 dioceses	votes 1 to 5 post pooling
	VOTE 1 £	VOTE 2 £	VOTE 3 £	VOTE 4 £	VOTE 5 £	VOTE 1-5 £	%		
Bath & Wells	348,707	263,394	33,648	20,559	110,755	777,063	1.2	79,481	856,544
Birmingham	177,397	133,995	17,117	10,459	56,345	395,313	-0.7	28,350	423,663
Blackburn	275,991	208,468	26,631	16,271	87,659	615,021	0.5	23,361	591,660
Bristol	200,528	151,468	19,350	11,822	63,691	446,860	0.8	7,401	454,261
Canterbury	209,841	158,502	20,248	12,371	66,649	467,612	0.8	4,353	471,965
Carlisle	183,733	138,781	17,729	10,833	58,357	409,433	1.4	45,157	454,590
Chelmsford	491,562	371,297	47,433	28,981	156,130	1,095,403	0.8	30,413	1,064,990
Chester	433,356	327,333	41,816	25,550	137,642	965,695	0.9	55,759	1,021,454
Chichester	571,643	431,786	55,159	33,703	181,564	1,273,855	0.8	73,361	1,347,216
Coventry	200,714	151,608	19,368	11,833	63,751	447,273	1.2	45,047	492,320
Derby	181,636	137,198	17,526	10,708	57,691	404,760	0.8	10,920	393,840
Durham	195,214	147,453	18,837	11,510	62,003	435,017	0.9	27,959	462,976
Ely	236,985	179,005	22,867	13,972	75,271	528,099	1.6	137,683	390,416
Exeter	303,099	228,943	29,247	17,870	96,269	675,428	1.3	28,051	703,479
Gloucester	262,234	198,077	25,304	15,461	83,291	584,366	1.6	25,789	558,577
Guildford	437,940	330,794	42,258	25,820	139,097	975,910	1.5	52,151	1,028,061
Hereford	156,409	118,143	15,092	9,222	49,678	348,544	0.9	9,363	357,907
Leicester	166,716	125,928	16,087	9,829	52,952	371,512	1.5	960	372,472
Lichfield	389,781	294,419	37,611	22,980	123,802	868,593	0.3	13,784	854,809
Lincoln	298,403	225,396	28,794	17,593	94,778	664,964	-0.2	112,240	777,204
Liverpool	251,565	190,017	24,274	14,832	79,902	560,590	0.6	9,110	569,700
London	1,179,286	890,764	113,793	69,528	374,563	2,627,933	3.3	306,163	2,321,770
Manchester	297,064	224,385	28,664	17,514	94,353	661,981	1.1	77,662	584,319
Newcastle	151,340	114,314	14,604	8,923	48,068	337,249	0.9	13,947	351,196
Norwich	230,683	174,245	22,260	13,600	73,269	514,056	0.0	42,801	556,857
Oxford	806,906	609,490	77,861	47,573	256,287	1,798,118	1.0	28,912	1,827,030
Peterborough	255,865	193,266	24,689	15,085	81,267	570,172	1.1	50,832	621,004
Portsmouth	158,562	119,768	15,300	9,348	50,362	353,341	1.1	405	352,936
Rochester	362,211	273,593	34,950	21,355	115,044	807,153	1.0	54,413	752,740
St Albans	489,719	369,905	47,254	28,872	155,544	1,091,295	0.8	4,342	1,095,637
St Eds & Ips	230,870	174,386	22,278	13,611	73,328	514,473	0.4	62,144	576,617
Salisbury	409,944	309,648	39,557	24,169	130,205	913,523	0.9	26,897	940,420
Sheffield	164,851	124,520	15,907	9,719	52,359	367,357	1.0	30,385	336,972
Sodor & Man	28,786	21,744	2,778	1,697	9,143	64,147	-0.2	10,970	75,117
Southwark	638,424	482,228	61,603	37,640	202,775	1,422,670	3.0	24,854	1,447,524
Southwell & Nottingham	191,251	144,460	18,454	11,276	60,745	426,187	0.9	55,603	370,584
Truro	140,244	105,932	13,533	8,269	44,544	312,522	0.2	43,658	268,864
Winchester	372,856	281,634	35,978	21,983	118,426	830,877	0.8	6,786	824,091
Worcester	195,624	147,763	18,876	11,534	62,134	435,930	0.2	68,708	504,638
York	314,399	237,479	30,337	18,536	99,859	700,609	-0.1	22,184	722,793
Leeds	451,225	340,829	43,541	26,603	143,318	1,005,515	0.7	78,072	927,443
Europe	27,524	20,790	2,656	1,623	8,721	61,313	-	9,194	52,119
Armed Forces	31,581	23,854	3,047	1,863	-	60,345	-	-	60,345
Armed Forces Pooling	-	-	-	-	-	-	-	320	320
Life assurance	-	-	-	-	-	-	-	30,723	30,723
Totals	13,102,670	9,897,000	1,264,314	772,500	4,151,591	29,188,075	1.3	-	29,188,075