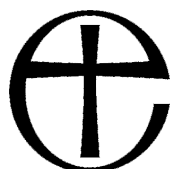


GENERAL SYNOD

Archbishops' Council

Proposed Budget for 2002

June 2001



2002 Budget Highlights

Training Budget	(Vote 1)	2.6% increase
National Support	(Vote 2)	Freeze
Grants and Provisions	(Vote 3)	0% increase
Mission Agencies Pensions	(Vote 4)	55.2% increase
Net Apportionment		2.3% increase

This booklet sets out the underlying figures and, as was requested last year, provides considerably more detail about how the budgets have been compiled and the nature of the work they finance.

Table of Contents

2	Highlights
3	Table of Contents
4	Executive Summary
9	Budget Summary
10	Reconciliation to Special Agenda V
11	Training Budget (Vote 1)
15	National Support (Vote 2)
34	Grants and Contributions to other organisations (Vote 3)
36	Inter-Diocesan Support - Mission Agencies (Vote 4)
37	Reserves
38	Apportionment Tables
39	Three Year Forecast
40	Facts and Figures
42	Activity and Value Audits

Executive Summary

Key Points

- 2000 Vote 1 underspent by £154,792 (1.8%)
 Vote 2 underspent by £386,218 (5.3%)
- 2001 Vote 1 outturn estimated at £189,000 below budget
 Vote 2 outturn expected to be within budget
- 2002 Vote 1 increase + 2.6%
 Vote 2 increase - cost freeze
 Vote 3 increase - 0% increase
 Vote 4 increase + 55.2% (4th year of transition)

1. The overall context for the budget exercise this year is a very mixed and varied one. On the one hand an increasing number of dioceses are operating budget deficits as they move to complete their pension transition periods and there is clear evidence that many are having to tighten their belts to cover the increase in their own administrative costs. There is also the uncertainty over the outcome of the stipend level review. On the other hand, the recent “Financial Outlook” exercise carried out by the Church Commissioners last autumn, seemed to suggest a more favourable financial position in the parishes which should be further improved by the opportunities offered by the new Gift Aid scheme (£20m p.a.?), and the recently announced grant scheme in respect of VAT on church repairs (£10-15m p.a.). Both of these offer genuine opportunities for the generation of “new money” but it is inevitable that it will take some time for these to feed through the system and that they will benefit some parishes more than others.
2. However, by far the most significant new factor is the outcome of the actuarial review of the clergy pensions scheme and we now know that the rate advised by the Board’s actuaries to sustain the current benefits package is 29.1% of the pensionable stipend, an increase of 7.2% on the existing rate. This will add £11m p.a. to the cost borne by the dioceses/parishes and another £130,000 p.a. to the cost of Vote 4.
3. Prior to the results of the actuarial review being known the Council, recognising the financial pressure which many dioceses were under, instructed its directors to prepare budgets which would ensure that both Vote 2 (National Church Responsibilities) and the overall apportionment (Votes 1–4) increases stayed under 4.0%. However, that strategy was reviewed at the Council’s meeting on 3/4 May in the light of events and it was agreed that the additional financial burden being placed on the dioceses/parishes justified the Vote 2 apportionment being frozen at its 2001 level over the 3 year period 2002-2004. This echoes the policy which the Commissioners propose to adopt to freeze their own administration costs, over the 3 year period 2002-2004, as part of their strategy towards maximising the amount they can make available (through the Council) in the form of parish ministry support.
4. The implications of this are explained in more detail in paragraphs 13 and 14. This budget strategy was recently discussed with diocesan representatives at the Inter-Diocesan Finance Forum and warmly welcomed. It has not been possible in the limited time available to structure a detailed Vote 2 budget within this cost

constraint and a detailed exercise is currently underway to identify the savings in expenditure required. **General Synod is therefore invited to approve the overall quantum of the Vote 2 budget at the same level as in 2001. A detailed budget indicating where the available resources are to be deployed will be brought back to Synod in November.**

Apportionment

5. The apportionment of the budget covered in this report is set out in the table on page 38. It is based upon the revised formula recommended by the Allocations & Apportionment Review Group (chaired by Stewart Darlow) which is covered by a separate item on the Synod Agenda. In the event that Synod felt unable to approve the recommendations in that report, the budget once approved would be apportioned on the basis of the existing formula.

Format

6. This executive summary of the budget is followed by an overall budget summary and more detailed sections on each of the Votes. The section on Vote 2 is analysed further to provide a description of each area of activity including its cost, staffing and principal functions. It is hoped that this format provides a helpful summary of the work carried out at Church House on behalf of the wider Church.

Overview

2000 outturn

7. Overall net expenditure in 2000 was £539,278 (3.2%) below budget, due to an underspend on Vote 1 of £154,792 and of £386,218 on Vote 2, which meant that it was not, after all, necessary to draw down from reserves in respect of Vote 2. However, around half of the underspend on Vote 2 relates to an adjustment in the accounting treatment for the costs of the relocation project falling on the Council which are now to be capitalised and written off over 10 years rather than fully accounted for in the year in question. The resulting cash savings of £335,510 have been used to bolster the Council's working capital which had dropped to a worryingly low level over the last few years. A further description of the Council's reserve position and its reserves policy appears later in this document.

2001 Budget

8. Net expenditure is expected to be broadly in line with the budget, which currently provides for £70,000 to be drawn down from reserves in respect of Vote 2. It is too early in the year to be any more precise than this and whilst there may be some savings in certain areas we are also aware of additional expenditure which may offset these. Vote 1 is currently projected to be underspent by £189,000 as a result of the lower numbers in training than were budgeted for.

2002 Budget

9. The individual apportionment increases which emerge from the budget process are as follows :-

Vote 1 (Ordination Training)	2.6%
Vote 2 (National Church Responsibilities)	cost freeze
Vote 3 (Grants and Provisions)	0%
Vote 4 (Mission Agencies Pensions)	55.2%

Individual Votes

Vote 1 (Ordination Training)

10. There was an under spend in 2000 of £154,792. At this stage it is also expected that there will be an under spend in 2001, currently estimated at £189,000. In each case, numbers in training have turned out to be less than forecast. It has always been particularly difficult to anticipate what will be required for ordination training, both as regards the numbers in training and as regards the respective numbers at Colleges as against Courses. Selection Conferences are still taking place in July for that Autumn's intake and candidates only have to take a decision on whether to be trained at a College or Course after selection. The savings achieved in 2000 and predicted for 2001 need to be seen against the fact that in the recent past it was necessary to ask Synod to approve a supplementary vote.
11. As recommended in the report "Managing Planned Growth" any sum which is not required for expenditure will be added to the 3 year rolling reserve which comes into effect with the 2001 budget. This is designed to provide a cushion against further unbudgeted increases in numbers in training and to help accommodate the aim to increase vocations to ordained ministry. The 2002 budget is for £9,138,000, representing a 2.5% increase on the agreed budget for 2001, or 2.6% once account is taken also of a slightly lower level of income than was provided for in the 2001 budget. The decision by the Archbishops' Council not to impose a freeze on Vote 1 in 2002 reflects the Council's anxiety not to defer vocations, as they form the lifeblood of the Church in the longer term. However, the Council does not intend its decision to prejudice what will happen in 2003 or 2004.

Vote 2 (National Church Responsibilities)

12. The 2000 budget was predicated on the basis that it would be necessary to draw from reserves to the tune of £205,500. In the event, there was a surplus of £180,718, despite higher than expected expenditure by certain departments. Savings occurred because a number of contingency amounts within individual budgets were not drawn upon (and have in most cases been stripped away for 2002) and staff costs for the Legal Division were well below budget as a result of staff vacancies as well as the accounting change referred to in paragraph 7 above.
13. As indicated in paragraph 3 above, the draft budget for this vote was originally prepared on the basis that the apportionment increase should be under 4%. The re-evaluation which took place at the Council's recent meeting now requires a different approach designed to ensure that costs over the next 3 years (2002-2004) are held at the 2001 apportionment level of £7,342,868. Taking into account the effect of wage inflation and some new pieces of work which will be needed to support the Council's themes and priorities or the implementation of the Clergy Discipline Measure this will mean cost reductions elsewhere in the budget.
14. Although the Council is in a position to utilise a surplus which has built up previously in its staff pension fund to offset some expenditure, **it will still be necessary to cut Church House costs by over £1m p.a. (or around 12%) over the 3 year period in question.** A cut of this size will require some fairly major restructuring and the dropping of areas of work no longer considered absolutely essential taking into account the wider financial context.

Vote 3 (Grants & Provisions)

15. Expenditure in 2000 was exactly in line with budget, except that it was agreed with the Church Urban Fund that the amount paid in the form of a cash grant

would be £20,000 less to reflect their continuing (free) accommodation with the Church Commissioners. Aside from a similar adjustment for the Church Urban Fund grant, expenditure in 2001 is expected to be in line with the budget.

16. The 2002 Vote 3 budget has been prepared on the basis that our contribution to the Inter Anglican budget (which forms the Church of England's share towards the cost of the Anglican Communion Office) would increase by 4% and the contributions to the ecumenical instruments would increase by 3%. No increase is assumed for the Church Urban Fund and no grant is provided in 2002 for the Simon of Cyrene Theological Institute. The Institute is hoping to relaunch itself in due course but sufficient funds have already been built up to cover any expenditure in 2002. In the case of CUF, discussions are beginning following the CUF Review with a view to the possible location of a development function within the Archbishops' Council (which would need to be financed by reductions from the grant to CUF) and in the light of the reduction in CUF's own administrative expenses to which this grant contributes.
17. The Anglican representative at the European Institutions is due to leave in mid-2001 and discussions took place in the latter part of 2000 as to what form, if any, any future representation should take. The conclusion reached was that under current financial circumstances it was not appropriate to re-appoint at this time.

Vote 4 (Mission Agencies Pension Contributions)

18. These payments previously amounting to a total of up to £500,000 p.a., are a statutory liability on the Church Commissioners as a consequence of the Pensions Measure 1998. However, as agreed, the financial support for this liability is being transferred to the Council's budget over a 6 year period from 1999 to 2004 to ensure that the Commissioners' capacity to maintain its stipends support to dioceses in need is not impaired. Expenditure in 2000 was on budget at £194,000 and is expected to increase to £299,000 in 2001. The sum required in 2002 (the 4th year of the transition) was to have been £391,000 but the increase in the pension contribution rate to 29.1% w.e.f. 1 April 2002 means that the apportionment will need to rise to £464,000. In the light of this development, the Council has reached the view that a review of Vote 4 should be initiated at the end of the transitional period.

Common Worship

19. It should be noted that the budget for Church House Publishing excludes the trading profit from the Common Worship project which is currently projected to exceed £1 million at the end of the current phase. The Finance Committee will need in due course to advise the Archbishops' Council on how this money might be utilised. However, it would be premature to reach any conclusions at this stage and a paper will be brought to the Finance Committee later in the year when the amount of the likely surplus is clearer. The Vote 2 budget has been prepared on the basis that no credit is to be taken for these profits and staffing costs attributable to Common Worship continue to be held in a separate Common Worship trading account on which the Finance Committee has had, and will continue to have, regular reports. This includes the electronic publication of a successor to Visual Liturgy, on which work has started but which will not be published until 2003. A cautious approach is being adopted and the Archbishops' Council has resolved to avoid any pre-emptive decisions on the use of this money in the context of the 2002 budget.

Conclusion and Recommendations

20. General Synod is invited to approve the budget set out in Special Agenda V which would result in the following apportionments:

	2001 Budget	2002 Budget	% Increase
Vote 1	£ 8,806,303	£ 9,038,175	2.6%
Vote 2	£ 7,342,868	£ 7,342,868	Freeze
Vote 3	£ 1,004,900	£ 1,004,900	0%
Vote 4	£ 299,000	£ 464,000	55.2%
Net Apportionment	£ 17,453,071	£ 17,849,943	2.3%

Michael Chamberlain
Chairman, Finance Committee
on behalf of the Archbishops' Council

Church House
London SW1P 3NZ

8 June 2001

Budget Summary

	Actual 2000 £	Budget 2000 £	Budget 2001 £	Budget 2002 £	%	
<u>Training for Ministry</u>						
Income	(88,318)	(90,000)	(110,000)	(100,000)		
Expenditure	8,339,208	8,494,000	8,916,303	9,138,175		
	8,250,890	8,404,000	8,806,303	9,038,175		
Less Diocesan Contributions	Vote 1	(8,203,950)	(8,204,000)	(8,806,303)	(9,038,175)	2.63%
Movement from Reserves	46,940	200,000	0	0		
<u>National Church Responsibilities</u>						
General Income	(341,583)	(205,000)	(420,600)	(336,000)		
Net Expenditure (net of related income e.g. contributions from other NCIs to common services)						
Central Secretariat (& Legal in 1999)	1,190,923	1,181,725	1,198,549			
Legal	321,231	349,054	359,443			
Communications Unit	442,802	454,951	401,421			
Finance Division	734,825	783,341	771,000			
Human Resources	244,004	263,559	251,533			
Statistics	182,215	207,450	201,880			
Information Technology	396,892	374,737	368,968			
Records	174,251	56,886	59,023			
Church House Publishing	(24,717)	34,600	32,860			
Church House Bookshop	(8,935)	(31,950)	9,087			
Ministry Division	1,139,399	1,203,800	1,213,770			
<i>Church And World</i>						
Board of Education	670,079	628,800	611,720			
Board of Mission	413,175	471,400	459,771			
Council for Christian Unity	301,145	322,250	315,910			
Board for Social Responsibility	394,495	427,600	433,020			
Hospital Chaplaincies	154,903	106,350	136,580			
Council for Care of Churches / CFC	506,524	544,300	536,030			
<i>Establishment Charges</i>						
Office services	318,588	357,405	290,433			
Accommodation	1,405,700	1,468,887	1,562,617			
Contingency	50,500	66,000	66,000			
	9,008,000	9,271,145	9,279,614	9,970,030		
Less Diocesan Contributions	Vote 2	(7,270,890)	(7,270,890)	(7,342,868)	(7,342,868)	0.00%
Less Transferred Allocations		(1,571,973)	(1,589,755)	(1,446,146)	(1,805,952)	
Less Saving to be achieved				485,210		
Movement from Reserves	(176,446)	205,500	70,000	0		
<u>Grants and Provisions</u>						
Expenditure	1,206,300	1,226,300	1,244,900	1,230,132		
Diocesan Contributions	Vote 3	(998,300)	(998,300)	(1,004,900)	(1,004,900)	0.00%
Less transferred Allocations		(208,000)	(228,000)	(240,000)	(225,232)	
Movement from Reserves	0	0	0	0		
<u>Mission Agency / Clergy Pensions</u>						
Expenditure	194,000	194,000	299,000	464,000		
Diocesan Contributions	Vote 4	(194,000)	(194,000)	(299,000)	(464,000)	55.18%
Movement from Reserves	0	0	0	0		
Overall Apportionment	(16,667,140)	(16,667,190)	(17,453,071)	(17,849,943)	2.27%	

Reconciliation to Special Agenda V

The General Synod is asked, as in previous years, to consider a budget based on gross expenditure figures (i.e. before any account is taken of income from other national Church bodies, trust monies or elsewhere). In the case of national support expenditure (Vote 2) this presents a particular difficulty this year since it will not be known until November to what extent it will be possible to meet any of the savings required by increasing income rather than reducing expenditure. If the Synod approves the motion before it, the Archbishops' Council will be committed to achieving a freeze in the level of the Vote 2 apportionment. Actual expenditure will not exceed what is compatible with this commitment.

The reconciliation of the 2002 Vote 2 budget figures is as follows:-

Gross expenditure ¹ (<i>per Special Agenda V</i>)	£15,567,175
Less income ²	<u>£ 5,933,145</u>
	£ 9,634,030
Less transferred allocations ³	£ 1,805,952
Less savings to be achieved	<u>£ 485,210</u>
Net apportionment (at 2001 level)	£ 7,342,868

The above relates only to national support costs (Vote 2). Income in relation to training for ministry is shown separately in the draft budget. There is no income as such in relation to grants and provisions (Vote 3) or mission agencies pension contributions (Vote 4).

¹ Includes the full cost of all activities covered by the Council's including common services (shared by all the National Church Bodies) and administrative functions transferred in 1999 and 2000 from the Church Commissioners.

² Includes contributions from other National Church Bodies to the cost of common services.

³ Additional stipend allocations provided by the Church Commissioners representing the savings in costs following the transfer of functions to the Council.

Training Budget Forecast for 2002 (Vote 1)

Managing Planned Growth

1. In April 2000 the Archbishops' Council accepted the recommendations of the Working Party Report, *Managing Planned Growth*. Among the report's key recommendations was that the fee setting procedures for the Theological Colleges and Regional Courses should be based upon core funding principles, from the 2000/01 academic year onwards. Through the core funding principles the individual Colleges and Courses are assured that their core costs in relation to the training of ordination candidates will be covered, even in cases where the institution does not succeed in achieving its expected budgeted number of students. Any potential overspend on the training budget resulting from unbudgeted increases in student numbers is now minimised, however, by limiting the cost to the training budget to the variable cost instead of the full fee cost. (This is 20% of College student fees plus allowances and 35% of Course student fees plus allowances). Colleges will also not now receive any fees for any sponsored students in excess of their Bishops' Agreed Maximum.
2. A further key recommendation has been the creation of a three year rolling reserve within Vote 1 so that such limited over-expenditure will be met from this reserve in this eventuality, thus minimising the requirement for a Supplementary Vote and protecting the General Synod budget from unplanned fluctuations in costs.
3. The budget forecast for 2002 is the first annual training budget to reflect the new funding methodology. College and Course costs are therefore set out in terms of expected total core and variable costs rather than as multiples of average fee levels. The other components of the budget – student allowances, Church share, University fees, Ordained Local Ministry training, pre-theological training and mixed-mode training – are not significantly altered in the new system.

Numbers in training

4. Numbers of sponsored ordinands attending Colleges and Courses in the last five academic years and estimates for the next two years are set out below. The table also shows the numbers of OLM ordinands training on Schemes recognised by the House of Bishops.

	1996/97	1997/98	1998/99	1999/ 2000	2000/01	2001/02	2002/03
Colleges	512	533	601	638	622	648	648
Courses *	561	574	595	615	601	629	640
	1,073	1,107	1,196	1,253	1,223	1,277	1,288
OLM Candidates	135	170	185	201	204	210	220
Total	1,208	1,277	1,381	1,454	1,427	1,487	1,508

* The Course student numbers include those candidates undertaking diocesan "pre-theological" training. There are currently 25 students in this category; numbers in this category are expected to remain stable in the forthcoming two academic years.

Budget Assumptions

5. The main assumptions on which the 2002 budget is based are as follows:
- Basic inflationary core costs increases for the forthcoming academic year will be 3.2% for Colleges and 3.0% for Courses, and for the following year estimated to be 3.4% and 3.3% respectively. These estimates are based upon academic staff salary increases in line with stipend increases for parochial clergy (3.0% tutors and principals from April 2001 and estimated 3.5% from April 2002), non-academic staff salary increases of 4.0% and RPI inflation of 2.5% for both years.
 - Overall core costs increases will average 3.4% in the next two academic years matching the increase in University fees, taking into account the circumstances of those Colleges and Courses which in the current academic year have accepted a fee below the recommended level.
 - Variable costs and increases in student allowances will follow expected RPI inflation of 2.5% in the next two academic years.
 - The Church share of the cost of training, taking into account LEA awards and personal contributions, is fairly stable at around 97.7% for Colleges and 98.0% for Courses.
 - Pre-theological training expected expenditure down by £5,500 from the 2001 budget figure to £20,000 in 2002.
 - OLM training expenditure down by £8,000 from the 2001 budget figure to £279,000 in 2002.
 - Mixed-mode training expenditure fairly stable at £18,500 in 2001 and £20,000 in 2002.

2000 Outturn

6. Training expenditure during 2000 was £8,339,208, £154,000 below budget. This under expenditure has resulted from the fact that numbers at Colleges and Courses in both the 1999/2000 and 2000/01 academic years have been below the budgeted numbers, plus savings in respect of pre-theological training and OLM.

2001 Revised Estimate

7. It is at this stage anticipated that there will be savings against budget in 2001 of approximately £189,000, the result of significant under-expenditure in respect of Course training and OLM training and these savings will form part of the new three year rolling reserve.

Budget 2002

8. The forecast shows a training budget requirement of £9,138,000 in 2002, representing a 2.5% increase on the budget for 2001 and 4.7% increase on the revised estimate for 2001.

2003 Forecast

9. Assuming the achievement of broad stability in ordinand numbers following the 2002/03 academic year, the training requirement for the 2003 budget year is

currently forecast to be approximately £9,420,000, representing an increase of 3.1% over the 2002 forecast.

Diocesan Pooling Costs

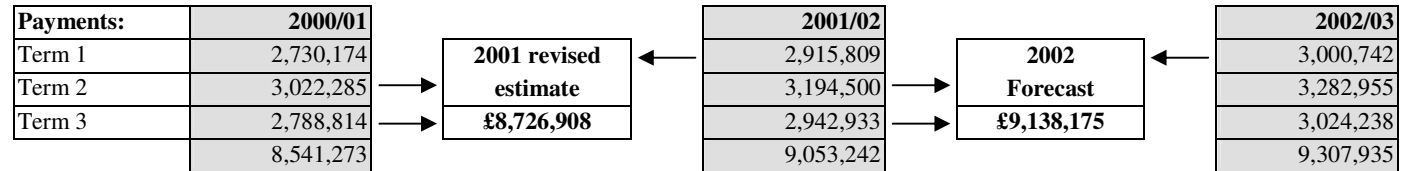
10. Expenditure on diocesan support grants made to ordinands in the year 2000 amounts in total to £3,238,711. Dioceses' expenditure in 2000 will be reflected in diocesan contributions to the 2002 budget through the pooling arrangement as set out in the apportionment table later in this document.

Conclusion

11. The budget forecast for 2002 – for an increase in expenditure of 2.5% over the 2001 budget (and an apportionment increase of 2.6%) - and the revised estimate for 2001 are set out in more detail in the following table together with the details of expenditure in the academic years to which the two budget years relate.

TRAINING BUDGET FORECAST FOR 2002: relation of payments by academic year to budget year

Approved Budget 2001		Academic Year 2000/01		Revised Estimate 2001		Academic Year 2001/02 (est)		Forecast For 2002		Academic Year 2002/03 (est)
	COLLEGES	£		£		£		£		£
3,863,430	College core costs	3,847,937		3,893,039		3,983,244		4,016,654		4,083,472
965,858	College variable costs	898,010		928,702		990,085		1,000,669		1,021,837
4,829,288	Total	4,745,947		4,821,741		4,973,329		5,017,323		5,105,309
5,757	Assessment fees	5,490		5,559		5,697		5,742		5,832
958,184	Allowances	913,096		936,182		975,888		984,312		999,216
5,793,229	Total	5,664,533		5,763,482		5,954,914		6,007,377		6,110,357
(140,212)	Less LEA etc share	(142,296)		(137,307)		(127,329)		(127,989)		(129,307)
5,653,017	Church share	5,522,237		5,626,175		5,827,585		5,879,388		5,981,050
237,856	University fees	227,584		235,953		241,632		247,386		249,215
132,778	Long vacation allowance	122,668		122,668		126,270		126,270		129,427
6,023,651	TOTAL COLLEGE	5,872,489		5,984,796		6,195,487		6,253,044		6,359,692
	COURSES									
1,446,325	Course core costs	1,374,381		1,398,529		1,446,825		1,459,591		1,485,122
778,791	Course variable costs	717,689		733,593		765,400		774,729		793,389
2,225,116	Total	2,092,070		2,132,122		2,212,225		2,234,320		2,278,511
5,637	Assessment fees	5,184		5,268		5,436		5,469		5,535
380,235	Allowances	347,328		355,976		373,272		378,613		389,295
2,610,988	Total	2,444,582		2,493,366		2,590,933		2,618,402		2,673,341
(52,220)	Less LEA etc share	(48,788)		(49,800)		(51,823)		(52,370)		(53,466)
2,558,768	Church share	2,395,794		2,443,566		2,539,110		2,566,032		2,619,875
287,740	OLM	263,462		263,462		278,692		278,692		287,053
25,704	Pre-theological training	14,886		16,524		19,800		20,060		20,579
2,872,212	TOTAL COURSE	2,651,020		2,723,552		2,837,602		2,864,784		2,927,507
20,440	MIXED-MODE TRAINING	17,764		18,560		20,153		20,347		20,736
8,916,303	GRAND TOTAL	8,541,273		8,726,908		9,053,242		9,138,175		9,307,935



National Support (Vote 2)

Ministry Division

<u>Chair</u>	:	The Bishop of Guildford
<u>Director</u>	:	The Ven Gordon Kuhrt
<u>Number of Staff</u>	:	30 Full-time 2 Part-time
<u>Budget 2001 (net)</u>	:	£1,213,770

Functions

- Vocation, recruitment and selection
- Theological education and training
- Deployment, remuneration and conditions of service
- Ministry among deaf people
- Reader ministry

Staffing

- Director
- Finance & Administrative Secretary
- Senior Selection Secretary plus 6 Selection Secretaries (1 also involved with vocations, 1 with OLM & 1 with PTE)
- Theological Education and Training Secretary
- Grants Officer plus Assistant
- Finance and Statistics Officer
- DRACS Secretary plus 3 staff
- Secretary to the Council for Ministry among Deaf People
- 14 secretarial & support staff (2 part-time)

There are some 27,500 active and retired clergy, Readers, evangelists and other licensed ministers in the Church of England today. Then there are some 1,400 in training for the ordained ministry, and more than 1,300 in Reader training. The Ministry Division is either responsible for their recruitment and selection or for setting the national standards and has both advisory and executive functions.

The division monitors and validates initial theological training and co-ordinates guidelines on Continuing Ministerial Education for clergy and Readers. In terms of prospective candidates for ordination, the division currently runs some 50-60 selection conferences a year involving some 360 selectors. It also administers the budget of £9.1 million for ordination training costs.

The division's remit extends to Church-wide ministerial strategy including terms and conditions, remuneration, housing, pensions and other aspects of deployment policy. New patterns of ministry, sector and chaplaincy ministry, continuing ministerial education (CME) and advising on ministerial review/appraisal schemes for clergy all form key parts of the work. The division also has lead responsibility for recommending changes in stipends, pensions and parochial fees.

Staff costs comprise £976,000 (80% of the budget), selection conferences £87,500 and other non-staff costs the remaining £150,000.

Church & World Division

<u>Chair</u>	:	Dr Philip Giddings (Diocese of Oxford)
<u>Director</u>	:	Richard Hopgood

The division brings together the Boards and Councils which provide expert advice and services nationally and to dioceses in the major policy areas of christian unity, education, mission, the care of churches and cathedrals, social responsibility and hospital chaplaincy. The work flows from the Church's understanding of God's purposes for the world, from the Church's unique position in the life of the nation (which involves some statutory responsibilities) and from demands from the General Synod and dioceses.

The division was set up to encourage effective co-ordination of the work of the Boards and Councils, to allow for strategic direction of that work and the optimal use of resources. The staff of the division collaborate closely on initiatives which cross individual remits and will make a major contribution to the themes planned by the Archbishops' Council and their expression in practical, imaginative and effective work.

Board of Mission

<u>Chair</u>	:	The Bishop of Southwark
<u>Board Secretary</u>	:	John Clark
<u>Number of Staff</u>	:	8 Full-time 6 Part-time/funded
<u>Budget 2001 (net)</u>	:	£459,771

Functions

- Mission theology
- Mission and evangelism
- Interfaith relations
- World mission, through the Partnership for World Mission
- Rural affairs and mission in urban areas

Staffing

- Chief Secretary for Mission
- Children's Evangelism Adviser
- Mission Theology Adviser
- National Evangelism Adviser
- Mission Administrator (half-time)
- Inter Faith Adviser (part funded)
- Partnership for World Mission Secretary (part funded)
- National Rural Officer
- 6 secretarial staff (1 part-time, 2 part funded)

The aim of the Board is to assist individual churches to engage with God in His mission to transform the whole of human life and creation. To help accomplish this, the Board encourages study, research, theological reflection and good practice in the following areas: mission and evangelism; prayer, spirituality and renewal; mission theology; interfaith relations; world mission issues and rural affairs. The Board undertakes its work through the creation, development and servicing of a variety of networks. It also arranges visits, consultations, workshops and conferences and produces resources including training videos, publications, newsletters and workbooks.

Initiatives specifically in support of parishes include:

- equipping clergy and laity for leadership in mission
- training clergy who are to be posted to a rural parish
- advice on positive uses of an interregnum
- understanding modern culture
- maximising the value of the deanery
- making churches tourist-friendly
- analysis of social needs in rural areas
- learning from the world Church
- discerning ‘what is church in the 21st Century’
- advising relatives of those entangled in cults
- publications and resources for dioceses and parishes.

The Board has spearheaded the Church’s concern about the crisis in farming, in partnership with dioceses on the ground, General Synod and the media. It has also helped secure £2,500,000 of Millennium Lottery money to help parishes develop their churches for community benefit alongside producing resources to help churches in their ministry to visitors.

In line with one of the findings of the Archbishops’ Council’s listening group programme, helping people in the pews tell their faith story has been a priority. The result of this work has been the publication of *Telling our Faith Story*.

It has been possible to create a new independently-funded post of Archbishop’s Officer for Evangelism among Children.

Board for Social Responsibility

<u>Chair</u>	:	The Bishop of Oxford
<u>Board Secretary</u>	:	David Skidmore
<u>Number of Staff</u>	:	10 Full-time 1 Part-time
<u>Budget 2001 (net)</u>	:	£433,020

Functions

- Promoting and co-ordinating the thought and action of the Church in matters affecting the life of all in society
- Briefing material for Bishops participating in House of Lords debates
- Working with ecumenical partners in the area of Public Affairs
- Liaising with diocesan advisers

Staffing

- Board Secretary
- International & Development Affairs Officer
- Science, Medicine, Technology & Environment Officer
- Economic Affairs Officer
- Home Affairs Officer
- Community & Urban Affairs Officer
- Marriage and Family Policy Officer
- 4 secretarial staff (1 part-time)

These functions give the Board for Social Responsibility (BSR) a wide-ranging and challenging brief. Part of its work is done through five committees: Community & Urban Affairs; Home Affairs; International/ Development Affairs; Science, Medicine & Technology; Social, Economic & Industrial Affairs.

BSR is widely respected among national and international networks and agencies. Many people, inside and outside the Church, nationally and internationally, look to it for advice and as a major source of Christian ethical reflection. Some work is planned, but much is necessarily responsive due to the need to provide a Christian reaction to a wide range of public issues as they arise, for example, in Government consultation documents, Parliamentary inquiries, the media or international affairs.

Through its wide range of networks and contacts the Board is able to provide bishops in the House of Lords and others who speak for the Church with well-researched advice. It is well known for the quality of its parliamentary briefs and responses on public issues such as criminal justice; social exclusion and poverty; and immigration and asylum issues. Through its networks and advisory groups, it engages with a spectrum of disciplines to form a Christian view of issues affecting public life in areas as diverse as genetic engineering and family policy, to penal affairs and urban regeneration, or business ethics and foreign policy.

The work of BSR maintains the Church's capacity to speak with authority on such issues and concerns by providing an essential source of reliable information. The Board has contributed to the Church of England's WebSite by providing material for the '*What is the church's view...*' section, which has been cited by BBC Education as an exceptionally valuable site for students of all ages.

BSR works closely with the dioceses through their Social Responsibility and other officers, with staff providing briefings, speaking at Diocesan Synods and advising on strategic responses to local concerns. Its staff provide advice on best practice for the church's engagement in local communities and much of the published material from BSR is used in dioceses to promote discussion and action.

As part of the Church's initiative on marriage, BSR has financed through savings elsewhere in their budget the creation of a new Marriage and Family Policy post. It will also be necessary to create a half-time post of child protection officer to facilitate advising dioceses on child protection issues but the cost of this will be partially met by trust sponsorship.

Board of Education

<u>Chair</u>	:	The Bishop of Blackburn
<u>Board Secretary</u>	:	The Revd Canon John Hall
<u>Number of Staff</u>	:	16 Full-time 2 Part-time. <i>Note: 4 staff are part-funded by other bodies, primarily the National Society.</i>
<u>Budget 2001 (net)</u>	:	£611,720

Functions

- Voluntary and continuing education
- Youth work
- Adult education and lay training
- Further and higher education
- Church schools and colleges

Staffing

- General Secretary
- 2 Schools Officers
- Adult Education Officer
- 2 Youth Officers
- Adult Learning Adviser
- Childrens Officer
- Higher Education Officer
- Administration Officer
- Further Education Adviser
- Secretary to the Church Schools Review
- 6 secretarial/ support staff

The Board's wide-ranging responsibilities include influencing the Church to:

- take life-long learning seriously and the Government to include the Church in the new learning partnerships
- see church schools at the centre of the Church's mission to the nation and the Government to ensure that church schools are allowed to flourish
- celebrate and nurture the children and young people within its orbit and reach
- see the opportunities of ministry and mission in higher and further education.

The Board's officers maintain high levels of communication with the diocesan networks they serve, with Government and its agencies, with ecumenical partners, with national organisations of all kinds and with professional and academic bodies. Every week an e-mail bulletin is sent to each diocesan director of education with information about recent developments. All the Board's officers work closely and interactively with diocesan staff.

Recent initiatives involving Board staff have been: the follow-up to the November 1998 General Synod debate on church schools and the establishment of Lord Dearing's Review of church schools; the July 1999 debate on a Learning Church and Investors in

People, for which there is now significant diocesan take-up; work on a possible Youth Evangelism Fund; and current legislation affecting education.

The National Society, which works closely in partnership with the Board, has launched two significant new WebSites to serve schools of all kinds and church schools in particular (www.natsoc.org.uk & www.churchschools.co.uk).

Council for Christian Unity

<u>Chair</u>	:	The Bishop of Peterborough
<u>Council Secretary</u>	:	The Revd Preb Dr Paul Avis
<u>Number of Staff</u>	:	6 Full-time 3 Part-time
<u>Budget 2001 (net)</u>	:	£315,910

Functions

- Encouraging Christian churches to live and work together at all levels
- Engaging in informal and formal theological conversations with other churches at home and abroad
- Supporting and servicing the Church of England's membership of the ecumenical instruments -
 - ❖ World Council of Churches
 - ❖ Conference of European Churches
 - ❖ Churches Together in Britain and Ireland
 - ❖ Churches Together in England
- Partaking in theological work on the Church and its unity
- Advising all areas of the NCIs on working with ecumenical partners

Staffing

- General Secretary
- Local Unity Secretary
- European Secretary
- Theological Secretary (part-time)
- 5 administrative/ secretarial staff (2 part-time)

The Council for Christian Unity (CCU) supports the vision for the full visible unity of currently separated Christian churches – a vision to which the Church of England is committed.

Much of CCU's work involves nurturing the formal relationships that we have entered into with other churches: the Evangelical Church in Germany, the Moravian Church in Great Britain and Ireland, a number of the Nordic and Baltic Lutheran Churches and the French Lutheran and Reformed Churches. CCU works to ensure that our relationships are made known to the Church of England as a whole, and advises dioceses on setting up links and using these links to their maximum potential in sharing in a common life. The Local Unity Secretary visits dioceses to offer advice on working ecumenically.

CCU also

- hosts visits of individuals or groups from partner Churches to Church House
- arranges conferences for younger ecumenists and ecumenical theologians
- supports ecumenical study visits and produces resources, including a regular journal, *Unity Digest*

It has recently set up a WebSite which provides information on the Church of England's relations with other Christian churches (www.cofe.anglican.org/ccu).

Hospital Chaplaincies Council

<u>Chair</u>	:	The Bishop of St Albans
<u>Council Secretary</u>	:	The Revd Edward Lewis
<u>Number of Staff</u>	:	4 Full-time 1 Part-time
<u>Budget 2001 (net)</u>	:	£136,580

Functions

- To consider questions of policy and practice relating to spiritual ministrations to patients and staff in medical establishments
- Liaising with Chief Executives and Trusts, the Department of Health and other Christian Churches in relation to chaplaincy issues
- Authorising the standard and content of chaplaincy training
- Preparing theological students for their ministry to the sick

Staffing

- Chief Executive/Secretary
- Training & Development Officer (part funded)
- Administrator
- Training & Web-site Co-ordinator
- Assistant (part time)

The core work of the Hospital Chaplaincies Council (HCC) is to enable and co-ordinate the total ministry and mission of the whole Church in the care of the sick and those who care for them within the very particular and complex setting of the National Health Service.

Specifically, the HCC's responsibility is to assist NHS trusts in the introduction and interpretation of departmental guidelines on the provision of an effective, well-trained Chaplaincy service which meets NHS standards of quality, efficiency and professionalism in the delivery of pastoral care. There are now some 354 full-time chaplaincies in England, and some 1,500 Church of England clergy work approximately 4,500 sessions of part-time chaplaincy for the NHS. Provided the correct returns are made (together with local negotiations) this should result in increased direct financial benefit to the dioceses.

In all aspects of its work, from training assessors to national negotiations, the HCC must conform to the same management systems and standards of integrity, professionalism,

quality and financial accountability required of all NHS staff and departments. HCC is now responsible for the NHS's spiritual care WebSite.

Council for the Care of Churches/ Cathedrals Fabric Commission

<u>Chair</u>	:	The Dean of York/ Professor Averil Cameron
<u>Council Secretary</u>	:	Dr Thomas Cocke/ Dr Richard Gem
<u>Number of Staff</u>	:	14 full-time 1 part-time
<u>Budget 2001 (net)</u>	:	£536,030

Functions

- Co-ordinating the work of Diocesan Advisory Committees
- Advising on the use, care, planning or design of places of worship
- Liaising with Government Departments and other relevant bodies
- Providing diocesan pastoral committees with detailed reports on the architectural and historic qualities of churches likely to be declared redundant, and specialist advice to Diocesan Chancellors and DACs
- Administering funds for the conservation of furnishings/ art in churches.
- Giving advice and help on plans and problems affecting the fabric, furnishings, fittings and precincts of cathedrals
- Regulatory powers under the Care of Cathedrals Measure

Staffing

- CCC Secretary
- Support & Development Officer
- Casework & Law Officer and Assistant
- Conservation Officer, Assistant and Secretary
- Librarian
- Resource Assistant and Policy Assistant
- Archaeological Officer
- Research Assistant (grant funded to 2001)
- CFC Secretary (part-time)
- Cathedrals Officer
- Admin Secretary

The Church is blessed with an inheritance of some 16,000 churches, ancient and modern and still in use for the purpose for which they were designed. They bear witness to generations of faith and offer a countrywide network from which to further mission in every community.

The Council for the Care of Churches (CCC) has major responsibilities in relation to Government and its agencies eg concerning the ecclesiastical exemption, and in direct support of parishes and dioceses, dealing with Faculty Jurisdiction and Pastoral Measure casework and offering free advice on every aspect of the care of the church building, its contents and its churchyard, from the basic concerns of security and drainage to complex conservation. It has also been actively involved, alongside Finance, in addressing the issue of VAT on repairs to church buildings.

Of particular value to parishes CCC gathers and distributes grants for the contents of churches from bells and organs to stained glass, monuments and textiles, and publishes straightforward guidance on the most effective ways of looking after churches and churchyards. CCC also operates a grants scheme to assist parishes to undertake conservation work to historic furnishings and fittings. The scheme is largely funded from block grants given by charitable trusts. Work is being done to double the funds available to parishes (some £540,000). The Council also has a publicly available library and archive on the art and history of our churches.

The Cathedrals Fabric Commission is statutory and exists to ensure the cathedrals are supported by authoritative advice on care, conservation, repair and development. It promotes co-operation between all heritage and planning bodies interested in cathedrals and encourages educational and research projects designed to ensure that the value of cathedrals is acknowledged and treasured.

In practice, the CFC handles a large number of applications for planning or for trust funds by deans and chapters to ensure that the ministry of cathedrals is vibrant and takes their history into the future. It also articulates the system for the care of cathedral works, through a series of Guidance and Advisory notes, as well as advising on archaeology, organs, and the environment around cathedrals.

Finance Division

<u>Chair</u>	:	Michael Chamberlain
<u>Director</u>	:	Shaun Farrell
<u>Number of Staff</u>	:	27 Full-time <i>Note: Additionally, 16 staff in Clergy Pay are managed on behalf of Church Commissioners</i>
<u>Budget 2001 (net)</u>	:	£771,000

Functions

- Financial administration and accounting
- Budgeting
- Long-term financial planning
- Stewardship
- Internal Audit
- *Crockford* directory
- Allocation of stipend support
- Clergy Payments (on behalf of the Church Commissioners)

Staffing

- Financial Secretary
- Chief Accountant plus 7 staff
- Head of Financial Planning & Administration plus 3 staff
- National Stewardship Officer
- Chief Budget Officer
- Head of Internal Audit plus 4 staff
- 4 Secretarial and Support staff
- 3 *Crockford* staff

In addition to providing financial administrative services to the Council, the division also provides internal audit functions for the three main NCIs, each of which has its own Audit Committee.

The division supports three sub-committees covering Stewardship; Investment Management (in conjunction with CCLA Ltd); and the Central Church Fund. It also provides staff representation when other divisions' committees and working groups need financial input, including the Ministry Division's Finance Panel.

The division is currently supporting a number of major new initiatives, including:

- a review of the formulae used to distribute selective stipend support and apportion the cost of the central administration budget
- a programme of Activity & Value Audits, aimed at ensuring that all administrative activity at Church House is necessary, cost effective and efficient
- a review of clergy stipend levels
- in conjunction with the Church Commissioners, an exercise to construct a financial overview of the whole Church
- the campaign to reduce the VAT burden on churches
- the radio aerials project, which (if progressed) will secure considerable sums for large numbers of parishes

Central Secretariat

<u>Directors</u>	:	Richard Hopgood (Deputy Secretary General) David Williams (Clerk to the Synod)
<u>Number of Staff</u>	:	21 Full-time 4 Part-time/ part-funded
<u>Budget 2001 (net)</u>	:	£1,198,549

Functions

- General Synod support
- Liturgical support and publishing
- Dioceses Commission
- Archbishops' Council support
- House of Bishops support
- Doctrine Commission
- Appointments Committee
- Minority ethnic Anglican concerns

Staffing

- Secretary General
- Deputy Secretary General/Director of Policy (responsible for Church & World)
- Central Services Director/ Clerk to the Synod
- House of Bishops support (3 staff)
- Senior Administrative Secretary plus 2 Administrative Secretaries (Secretariat to Liturgical Commission, Archbishops' Council, Appointments Committee)
- Synod Support Unit (2-3 staff)
- CMEAC Officer
- Private Secretary

- 4 executive staff serving working parties etc
- Theological Secretary (part-time)
- 6 secretarial and support staff

The Central Secretariat provides administrative support for the General Synod. This is an exacting function with a substantial need for forward planning for sessions at both an administrative and policy level.

The Secretariat services the Archbishops' Council, the House of Bishops, the Liturgical Commission, the Legislative Committee, the Liturgical Publishing Group, the Appointments Committee and many other ad hoc and permanent bodies. Its directors also oversee the Church and World and Central Services divisions and have a significant co-ordinating function across the whole organisation. Advice and support is provided to dioceses on a range of issues, for example to assist in their compliance with recent data protection legislation.

The Committee for Minority Ethnic Anglican Concerns (CMEAC) addresses issues which have policy implications for minority ethnic groups within the Church and the wider community and assists dioceses in combating racial bias, giving priority to problems of racism, and valuing cultural diversity. CMEAC's programme of work includes advisory team visits to dioceses, preparing publications and parish study packs, and hosting conferences. In its youth work, the Committee has held national vocations conferences in order to encourage young minority ethnic Anglicans to explore lay and ordained vocations.

Central Services

The Clerk to the General Synod is also the Director of Central Services which provides the NCIs with a wide range of services. For example, the Church's IT Strategy & Steering Group (which includes diocesan secretaries) is agreeing the technological base for the Council's new communications strategy which is designed dramatically to improve regular, authoritative, reliable communications at all levels, with measurable cost savings.

The budget figures shown below are those borne by the Council's budget after recovery from other national Church institutions and other bodies of the cost of services provided to them.

Office Services

<u>Manager</u>	:	John Ferguson
<u>Number of Staff</u>	:	23 Full-time 1 Part-time
<u>Budget 2001(net)</u>	:	£290,433

Functions

- Mapping
- Messengers *
- Security *

- Restaurant
- Xerox & Printing
- Telephonists/reception
- Office supplies

** Provided via the Corporation of Church House in relation to Church House*

Staffing

- 2 Office Services Site Managers (1 Church House, 1 Elizabeth House)
- 4 Office Services staff
- 4 Mapping section
- 5 Printing/Xerox
- 3 Telephonists/Reception
- Postal Supervisor
- Van Driver & Messenger
- 4 Messengers

The department is responsible for all central buying across the NCIs. A major project is underway to produce, and provide to dioceses, digitised maps of all parish boundaries. The telephone system covers all the London based NCIs with a general switchboard at Millbank. Thirteen of the staff work at Elizabeth House/Millbank, almost exclusively for the Church Commissioners.

There is a highly-professional printing plant ensuring that most printing is done cheaply, in-house. The print function has recently been subjected to a searching independent review, which credited it with being exceptionally efficient. There are 2 printing units, one at Church House, the other at Elizabeth House/ Millbank.

Information Technology

<u>Manager</u>	:	John Ferguson
<u>Number of staff</u>	:	21
<u>Budget 2001</u>	:	£368,968

Functions

- Systems development
- Programming
- Software maintenance
- Technical support
- IT consultancy services to wider Church

Staffing

- IT Manager
- Deputy IT Manager
- 10 Technical & IT Support
- 5 Analyst Programmers & Systems Analysts
- 2 IT Trainers

- IT Financial Support
- Computer Control

The department provides a comprehensive range of IT services to the national Church institutions including the Archbishops' Council. This includes technical support on any software or hardware issue and assistance with the development and/ or implementation of IT systems. Several of the current IT systems in use across the national bodies have been written, and are maintained and updated, by the IT department. One example of this is the Clergy Payments System that pays all the clergy on the central payroll and pensioners. The Council has drawn upon the department in its recent implementation of a new HR/ payroll system.

The department has created, and updates and maintains, an intranet for use within the national Church institutions and also a diocesan intranet through which information and documents are made available to dioceses and which provides a forum for dioceses to share issues with each other.

Research and Statistics

<u>Manager</u>	:	The Revd Lynda Barley
<u>Number of Staff</u>	:	5 Full-time 2 Part-time
<u>Budget 2001 (net)</u>	:	£201,880

Functions

- Collecting, collating and analysing parochial membership and finance statistics
- Statistical and research advisory service to other departments
- Assisting other departments with statistical and research work
- Participating in the Churches Information for Mission project

Staffing

- Head of Research and Statistics
- Systems Manager
- Statistics Officer
- Statistics Supervisor
- 3 Statistics Assistants

Changes endorsed by the General Synod in July 2000 following the Statistics Review Group report involve a wider remit for the department, although the implementation of the changes will be limited by the current financial climate. Whilst the collection and analysis of parochial membership and finance statistics will remain a principal task, the department is also now actively involved in further survey work, such as through the Churches Information on Mission project, that will enable the Church to realise further mission-related objectives.

Records

<u>Manager</u>	:	Wendy Sudbury (part-time)
<u>Number of Staff</u>	:	16 full-time 1 part-time 1 part-funded by the National Society
<u>Budget 2001 (net)</u>	:	£59,023

Functions

- Records management services for the administrative records of the NCIs - low-cost off-site storage, efficient retrieval and controlled disposal
- Advice to departments and dioceses on record keeping and filing systems
- Advice on record keeping
- Public access to historical archives

Staffing

- Director
- Records Management Officer
- I T & Communications Officer
- Assistant Records Manager
- Central Support Officer
- 5 Deeds Registry Officers
- Research & Enquiry Officer
- Administration Secretary plus Administrative Assistant
- 4 Muniments Clerks
- Archivist

The Record Centre provides a record management service for both semi-current and archive material belonging to the Archbishops' Council, as well as other bodies within and beyond the national Church institutions. The Council now holds more of its semi-current material at the Record Centre, located in a warehouse at Bermondsey, to maximise use of lower-cost storage. Deeds and other materials are also stored at the Record Centre and advice and support is provided to departments on record management.

Following a recent activity and value audit, there will be some restructuring to improve the service provided and steps will be taken to allow market-testing of the records management function to take place in 2002.

Church House Publishing

<u>Manager</u>	:	Alan Mitchell
<u>Number of Staff</u>	:	17 full-time 1 part-time
<u>Budget 2001 (net)</u>	:	£32,860

Functions

- Publishing Crockford's Clerical Directory and The Church of England Year Book
- Publishing reports commissioned by General Synod
- Liturgical publishing (including Common Worship)
- Publishing material for other church bodies, including for churches and schools on behalf of the National Society

Staffing

- Publishing Manager
- Production Manager (part-time)
- Editorial Manager plus 2 Editors
- National Society Publications Officer
- Sales and Marketing Officer plus 2 Marketing Executives
- Product Development Officer
- Design Manager plus Designer
- Production Controller
- Electronic Product Manager plus 2 Electronic Editors
- Publishing Assistant
- Department Administrator

The department is now established as a centre of excellence in the publishing world and carries out editorial, production, marketing and copyright functions in-house, drawing on freelance assistance where this is more cost-effective. Almost all publications from the national Church institutions are published by Church House Publishing (CHP) and from an increasing number of other bodies (such as the Methodist Church and CTBI, besides the National Society, for whom CHP has acted as publisher for many years). The cost of such extra activity is fully met by additional income, with rigorous procedures in place for charging out staff time to external projects.

In 1999 CHP was entrusted by the Archbishops' Council with the publication of *Common Worship*. This, plus its growing list of theological and religious books and CD Roms is quickly establishing CHP as a major player in the UK religious book trade. Key to its plans for the future is the award-winning Church House Bookshop, recently called 'a treasure house' of interesting books, cards, CDs, etc. CHP also has a considerable presence on the web, empowering individual churches to create their own orders of service and other worship aids.

Assisted by a business advisory group, the department functions as a trading enterprise and trading accounts are prepared and reviewed on a monthly basis, as for the bookshop (which is ultimately managed by the publishing manager). The department expects to cover most of its costs from income from other bodies, from sales and from royalties and is no longer a significant charge to the budget.

Church House Bookshop

<u>Manager</u>	:	Mark Clifford
<u>Number of Staff</u>	:	8 full-time 1 part-time
<u>Budget 2001 (net)</u>	:	£9,087 deficit

Functions

- Stocks unique range of Church House Publishing and General Synod titles
- Stocks a comprehensive product range of religious books from all leading UK publishers, and known in the trade for its range of academic theology
- Large mail-order department and internet bookshop

Staffing

- Retail Co-ordinator
- Customer Services Manager
- Deputy Bookshop Manager
- Web site manager
- 3 Mail-order Assistants (1 part-time)
- Bookshop Assistant plus Postal Assistant

The reputation of Church House Bookshop has increased significantly over recent years and it is now recognised as one of the leading Christian bookshops in the UK. In 1998 it won the award of UK Large Christian Retailer of the Year. It has a particular niche role as a supplier of Church of England material. The total turnover in 2000 was £1.3 million (particularly high due to sales of *Common Worship*). This resulted in a small profit for the year, which would have been larger except that rent and service charge expenditure is set directly against trading surpluses to facilitate the compilation of trading accounts of a similar format to other trading organisations. Much more than just a bookshop, the staff offer an important service and information function within the Archbishops' Council.

Legal Office

<u>Director</u>	:	Stephen Slack
<u>Number of Staff</u>	:	27 (plus 1 paid for entirely by the Commissioners)
<u>Budget 2001 (net)</u>	:	£359,443

Functions

- Legal advice and support to General Synod and Archbishops' Council
- Church Legislation (in conjunction with Standing Counsel)
- Legal Advisory Commission
- Legal Aid Commission
- Ecclesiastical Law
- Conveyancing and Property Law (corporate and ecclesiastical)
- Corporate and company law advice
- Employment and pensions law advice
- Pastoral re-organisation

Staffing

- Head of Legal Office/Legal Adviser to General Synod
- Deputy Head (Professional)/Official Solicitor to Church Commissioners
- Deputy Head (Operations)
- Assistant Legal Adviser to the General Synod
- Standing Counsel to the General Synod
- 8 Solicitors (including Deputy Official Solicitor)
- 9 Legal Executives
- 6 secretarial and support staff

The Legal Office of the NCIs was formed in April 2000 by the merger of the Legal Department of the Church Commissioners with the Archbishops' Council and General Synod Legal Team (previously part of the Central Secretariat). It provides legal services and support to all the national Church institutions.

In terms of volume of business, the greatest user of the Legal Office is the Church Commissioners. Most of the staff in the Legal Office undertake conveyancing in relation to the Commissioners' substantial property assets and (for the Pensions Board) the sale and purchase of properties occupied by the Pensions Board's beneficiaries.

The Legal Office also deals with ecclesiastical law, the preparation of Church legislation (in conjunction with Standing Counsel), legal advice and support to General Synod, and it provides the secretariat for the Synod's Legal Advisory and Legal Aid Commissions.

In addition to these specialist areas of work, the Legal Office provides legal advice across the range of corporate and commercial law to which any large organisation may be exposed, including employment law, administrative law, charity law, education law, publishing etc.

Communications Division

<u>Director</u>	:	The Revd Dr William Beaver
<u>Number of Staff</u>	:	11 Full-time equivalent
<u>Budget 2001 (net)</u>	:	£401,421

Functions

- Press and broadcast relations
- Media training and communications development for the whole church
- Co-ordination of external communications work for National Church Institutions
- Internal communications within the NCIs

Staffing

- Director
- 2 Information Officers (1 Press and 1 Broadcasting)
- 2 Training staff
- Communications Co-ordinator
- Internal Communications
- Enquiry Officer
- 3 secretarial & support staff (2 part-time)

The Communications Division is responsible for external and internal communications and promotion for all the national institutions, except Lambeth and Bishopthorpe. In terms of the Archbishops' Council, the division's task is to communicate the Council's vision, build communications into the planning and execution of all the Council's activities and empower and encourage staff at all levels to communicate the Church's messages well. The Council's communications strategy and examples of the range of its activities are to be found in *The Archbishops' Council's Third Report to General Synod*.

Given resource levels, the key to success or failure of communications within the Church is the relationship with diocesan communicators. The Communications Division operates 24 hours a day, 365 days a year and is at the disposal of the whole Church at any time. A press cuttings service is provided to diocesan and bishops' offices on a daily basis. Drawing where appropriate on a studio, a comprehensive training programme is offered in all aspects of communications.

New initiatives include a range of web-related projects, funded by external sponsorship, and an annual review of all the national Church institutions which it is hoped will assist in promoting and advertising throughout the Church and beyond the work of the national institutions.

Human Resources Division

<u>Director</u>	:	Su Morgan
<u>Number of Staff</u>	:	11 Full-time 1 Part-time
<u>Budget 2001 (net)</u>	:	£251,533

Functions

- Workforce policy and planning
- Recruitment and deployment
- Organisational development and training
- Employee resourcing
- Staff payroll

Staffing

- HR Director
- HR Services Manager
- 2 HR Generalists
- 4 HR Support
- 2 HR Advisers
- Project Manager
- Payroll Manager (part-time)

Constituted for all the National Church Institutions, the human resource function is now providing the management and staff of Church House and the other NCIs with a high standard of personnel practice, including training and career development. Policies are now in place covering numerous areas of employment practice including equal opportunities and work is underway on a new pay strategy which has already resulted in a harmonised pay scale for new staff.

A new HR/ payroll computer system, combined with a restructuring which has followed the activity and value audit in 2000, will enhance the department's efficiency. A help-desk is now in place to answer queries promptly. A payroll service will be provided to 1300 staff and pensioners of the national institutions and of bishops' offices. Some assistance on HR matters is already provided to dioceses and it may be possible to expand this in due course.

Accommodation

<u>Budget 2001 (net)</u>	:	£1,047,617
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The Archbishops' Council has to pay rent and service charge to the Corporation of Church House in respect of the area it occupies. The budget also provides for contributions into sinking funds to fund future internal and external repairs. It also shares with other bodies the costs of the Record Centre building.

Grants and Provisions (Vote 3)

<u>Budget 2002</u> : £1,192,400

This budget encompasses national Church of England contributions to

- Anglican Communion activities
- Ecumenical activities

In each case, the Church of England is represented and negotiations take place with regard to the appropriate level of contribution.

The Inter Anglican Budget meets the Church of England's contribution towards the Anglican Communion Office (which also provides the Secretariat for the Lambeth Conference, the Anglican Consultative Council and the Primates meetings) and is projected to increase by 4%.

There has been an Anglican representative based in Strasbourg for some years and it was hoped to fill the post when the existing post-holder leaves this year but, as the cost involved would have been £24,000 p.a., in the current financial context it will not now be possible to do so.

With regard to the ecumenical instruments, the Church of England asked in 2000 for an overall review of its contributions and this is now underway. In the meantime, the budget embodies an underlying increase of 3% in respect of these grants. The contributions to the instruments also contain various earmarked grants for specific work within the organisations concerned. These are:

- ⇒ £21,600 included in the contribution to the Conference of European Churches grant for the Church & Society Commission (formerly known as the European Ecumenical Commission on Church and Society and listed separately in the Vote 3 budget until its integration with CEC).
- ⇒ £6,200 included in the contribution to the World Council of Churches for Faith & Order work, one of WCC's Themes and Issues.
- ⇒ £5,800 included in the contribution to Churches Together in England for its Co-ordinating Group for Evangelisation.
- ⇒ £3,500 included in the contribution to Churches Together in Britain and Ireland towards the funding of a Secretary for Black Christian Concerns.

No increase has been assumed in the level of the grant to the Church Urban Fund (CUF) in the light of reductions in CUF's own administrative expenses to which this grant contributes. (The reduction from the 2001 budget level is a technical adjustment agreed with CUF). Any implications of the CUF Review for the future level of grant will be discussed with the trustees and the outcome reported to Synod.

No further provision has been made at this stage in respect of the Simon of Cyrene Theological Institute. The Institute has been hoping to relaunch for some time but its plans have not yet been clarified.

A Vote 3 contingency has been provided for as there are several items within the budget which are in a state of flux. It will only be drawn upon if necessary.

The effect of these changes is a budget for 2002 showing a nil increase in the level of apportionment over 2001. The detailed analysis is as follows:-

	Actual 2000 £	Budget 2001 £	Budget 2002 £
Anglican Communion Activities			
Inter Anglican Budget	332,000	345,800	359,700
Lambeth Conference – Provision		5,000	5,000
Anglican Representation at the European Institutions	16,500	8,600	
	348,500	359,400	364,700
Ecumenical Activities			
Churches Together in England	168,000	168,000	173,000
Churches Together in Britain and Ireland	152,400	152,400	157,000
Churches Commission for Racial Justice	28,000	28,000	28,800
Churches Commission on Mission	33,600	33,600	34,600
Simon of Cyrene Theological Institute (provision)	45,600	45,600	
World Council of Churches	104,900	104,900	108,000
WCC Assembly (provision)	5,000	5,000	5,000
Conference of European Churches/European Ecumenical Commission for Church and Society	70,000	70,000	72,100
Third European Assembly (provision)	5,000	5,000	5,000
Expenses of representatives	34,300	33,000	25,000
	646,800	645,500	608,500
Miscellaneous			
Ecclesiastical Jurisdiction Measure Court costs fund	3,000		
Church Urban Fund	208,000	240,000	219,200
Contingency			37,732
	211,000	240,000	256,932
TOTAL	1,206,300	1,244,900	1,230,132

Inter-Diocesan Support – Mission Agencies (Vote 4)

This is a statutory obligation on the Commissioners (so the budget cannot be cut without a change to the Pensions Measure 1998 unless the agencies agree to take on any of the cost on a voluntary basis).

Dioceses have agreed that the responsibility for meeting the liability would be progressively transferred from the Commissioners to the Council to be met through the apportionment. 2002 comprises the fourth year of this transfer (with the full cost to be met from apportionment from 2004 onwards).

Expenditure on the pension contributions payable under this vote in 2000 was £175,547 against a budget of £194,000. The remainder of the budgeted amount has been placed in an accrual in Vote 4 which has given us the lee-way to reduce the number of clergy on which the budget is based. On this basis, the gross amount required in 2002 is estimated at £464,000 based on 160 clergy and the new pension contribution rate. The table below shows how the number of clergy covered by this scheme has varied.

SOCIETY	1998	1999	2000	2001 (1st qtr)
CROSSLINKS	19	17	17	19
CMS	29.5	30.5	29	29
CPAS	15	14	12.5	10
Com. of S Mary	1	1	1	1
Jerus. & Mid East	1	1	1	1
Melanesian Mis.	1	1	1	1
Mission to Seamen	26	25	26	23
SA Miss. Society	23	24	22.5	21
USPG	39	35	33	31
Church Army	6	6	6	5
Ch Min. Among Jews	4	4	4	4
SOMA	1	1	1	1
PNG Church	1	1	0	1
Intercon	6.5	7.5	9.5	11
totals	<u>173</u>	<u>168</u>	<u>163.5</u>	<u>158</u>

Reserves

The Archbishops' Council has a reserves policy under which it holds only such levels of reserves as are necessary to meet its day to day needs, expenditure which may fall to be met before sufficient income is received to finance it. Limits are set for both general reserves, to maintain sufficient working capital, and cash reserves, to maintain liquidity.

In respect of the training for ministry fund (Vote 1), a three year rolling reserve has been created in accordance with the recommendations in "Managing Planned Growth" to smooth out future fluctuations in expenditure. In addition the general Vote 1 reserve at the end of 2000 stood at £1.2 million (representing less than two months expenditure).

In the case of the main administrative budget (Vote 2), the Council has committed itself to a policy under which it would aim to maintain general reserves at the levels shown in the following table, where the actual level of reserves at the end of 2000 is also shown. It will be seen from this that the actual level of reserves (particularly of cash reserves) is at a low level and so the first call on savings from 2001 will need to be the replenishment of reserves in accordance with the reserves policy to avoid future liquidity problems.

	<u>Target</u>	<u>Actual (31/12/00)</u>
<u>General</u>	£1.5m	£1.26m
<u>Cash</u> (1-2 months expenditure)	£0.75m-£1.5m	£0.63m

Table of Apportionment for 2002

Diocese	Training for Ministry	National Church Responsibilities	Grants & Provisions	Inter-diocesan support of Mission Agency clergy pension contributions	Total Votes 1-4	Pooling of 2000 candidates costs* **	Total Net Apportionment	offsetting allocation from Church Commissioners included within net apportionment
	VOTE 1	VOTE 2	VOTE 3	VOTE 4				
	£	£	£	£	£	£	£	£
Bath & Wells	248,130	201,700	27,590	12,770	490,190	(36,898)	453,292	(55,930)
Birmingham	151,640	123,400	16,860	7,800	299,700	(17,380)	282,320	(34,218)
Blackburn	219,450	178,780	24,400	11,290	433,920	(1,935)	431,985	(49,575)
Bradford	97,050	78,380	10,790	4,990	191,210	(21,588)	169,622	(21,734)
Bristol	145,500	117,680	16,180	7,490	286,850	6,288	293,138	(32,632)
Canterbury	159,110	129,400	17,690	8,200	314,400	315	314,715	(35,882)
Carlisle	130,650	105,340	14,530	6,720	257,240	12,269	269,509	(29,210)
Chelmsford	368,240	299,350	40,940	18,950	727,480	(18,470)	709,010	(83,008)
Chester	295,220	239,630	32,820	15,190	582,860	(35,685)	547,175	(66,448)
Chichester	388,190	316,390	43,160	19,980	767,720	9,069	776,789	(87,733)
Coventry	141,830	115,170	15,770	7,300	280,070	(39,999)	240,071	(31,936)
Derby	150,470	122,490	16,730	7,740	297,430	(6,892)	290,538	(33,966)
Durham	160,440	128,890	17,840	8,260	315,430	(32,912)	282,518	(35,740)
Ely	146,530	119,110	16,290	7,540	289,470	(17,360)	272,110	(33,029)
Exeter	225,990	183,020	25,130	11,630	445,770	39,348	485,118	(50,750)
Gloucester	176,250	144,180	19,600	9,070	349,100	11,229	360,329	(39,980)
Guildford	270,960	220,830	30,130	13,950	535,870	2,257	538,127	(61,235)
Hereford	106,890	86,480	11,880	5,500	210,750	23,662	234,412	(23,980)
Leicester	134,750	109,750	14,980	6,930	266,410	13,877	280,287	(30,433)
Lichfield	305,150	247,570	33,930	15,700	602,350	(15,115)	587,235	(68,650)
Lincoln	187,240	151,870	20,820	9,640	369,570	43,661	413,231	(42,113)
Liverpool	204,700	167,460	22,760	10,530	405,450	26,826	432,276	(46,436)
London	591,760	483,420	65,780	30,450	1,171,410	(27,438)	1,143,972	(134,050)
Manchester	239,670	194,200	26,650	12,330	472,850	40,365	513,215	(53,851)
Newcastle	110,390	87,250	12,270	5,680	215,590	24,799	240,389	(24,194)
Norwich	177,330	143,780	19,720	9,130	349,960	35,191	385,151	(39,869)
Oxford	520,750	424,010	57,900	26,800	1,029,460	5,492	1,034,952	(117,576)
Peterborough	155,150	126,210	17,250	7,980	306,590	14,617	321,207	(34,997)
Portsmouth	117,790	95,670	13,100	6,060	232,620	23,013	255,633	(26,529)
Ripon & Leeds	125,630	102,100	13,970	6,470	248,170	16,409	264,579	(28,312)
Rochester	245,880	200,360	27,340	12,650	486,230	(3,853)	482,377	(55,559)
St Albans	318,960	259,170	35,460	16,410	630,000	8,232	638,232	(71,866)
St Eds & Ips	163,250	133,140	18,150	8,400	322,940	28,973	351,913	(36,919)
Salisbury	264,790	215,450	29,440	13,630	523,310	61,875	585,185	(59,743)
Sheffield	141,960	114,850	15,780	7,310	279,900	(3,529)	276,371	(31,847)
Sodor & Man	18,360	15,030	2,030	950	36,370	6,616	42,986	(4,168)
Southwark	386,880	315,460	43,020	19,910	765,270	(42,083)	723,187	(87,475)
Southwell	142,190	115,530	15,810	7,320	280,850	(64,348)	216,502	(32,036)
Truro	101,710	81,900	11,310	5,230	200,150	33,132	233,282	(22,710)
Wakefield	139,730	113,470	15,540	7,200	275,940	(9,983)	265,957	(31,465)
Winchester	264,310	214,460	29,390	13,600	521,760	(29,706)	492,054	(59,469)
Worcester	141,830	114,680	15,770	7,300	279,580	24,161	303,741	(31,800)
York	233,500	188,000	25,960	12,020	459,480	(53,087)	406,393	(52,131)
Europe	21,975	17,858	2,440	-	42,273	(15,550)	26,723	-
totals	9,038,175	7,342,868	1,004,900	464,000	17,849,943	17,864	17,867,807	(2,031,184)

* The total cost of candidate support redistributed in this column relating to the costs incurred in 2000 is £3,238,711.

** Additionally, an amount of £17,854 reimbursed to the Diocese in Europe in 2000 is recovered within this column as it was excluded from the 2001 Apportionment table.

Three Year Forecast

The table below sets out the current 3 year projection for Votes 1-4. It assumes the numbers in training (Vote 1) remain broadly stable at their 2002 level and the adoption of a freeze strategy in respect of Vote 2. Grants to other church and ecumenical bodies under Vote 3 are assumed to be indexed to RPI in 2003/4. The figures for Vote 4 reflect the completion of the phased transfer of this obligation from the Church Commissioners to the Archbishops' Council in 2004.

Vote		2002 Budget	2003 Forecast	2004 Forecast
1	Training	+2.6%	+3.1%	+3.0%
2	National Support	0%	0%	0%
3	Grants and Provisions	0%	+2.5%	+2.5%
4	Mission Agency Pensions	+55.2%	+36.9%	+25.5%
	Overall Apportionment	+2.3%	+2.7%	+2.6%

Note: The freeze for national support (Vote 2) excludes the element of national support costs currently being met by transferred allocations from the Church Commissioners (at present around £1.8m). In due course (but not in 2002) these allocations will start to be distributed selectively according to the allocations formula and will no longer be available to neutralise this element of national support costs.

Facts and figures

Q: *How many people are employed by the Archbishops' Council?*

A: Around 300, including over 100 involved in the work of the common service departments which support all the national Church institutions.

Q: *What are the Council's real costs?*

A: Real costs have remained constant for the past eight years. In 2001, to keep the total apportionment increase down to below 5%, Vote 2 (Church House administrative and support costs) increased by only 1% and this, combined with the freeze in 2002-4, will amount to a significant reduction in real terms (taking inflation into account).

Q: *Is there a history of pruning for growth?*

A: Yes. In 1995, three full time and three part-time/paid posts were abolished. In 1996, three full-time and three part-time/paid posts were abolished. In 1997, two full-time and two part-time equivalent posts were lost. In 2001, some £270,000 will be saved by cutting thirteen posts. Over the period 2002-4, savings amounting by 2004 to at least £1 million p.a. will have been made.

Q: *What attempt is made to budget in accordance with the priorities of the Church?*

A: The Archbishops' Council's key themes and priorities, which were formed in consultation with the General Synod and the House of Bishops, were published in late 2000. The themes are now being translated into plans, programmes and services in ways that will involve some re-shaping of the work of the House as a whole and departmental budgets are reviewed against the themes.

Q: *What happens to the money gained by savings?*

A: It is Church policy to return savings to dioceses in the form of reduced apportionments in future years where not needed to replenish reserves. Excluding transfers from reserves, the following amounts were returned to the dioceses:

1996	£402,000	1999	£283,000
1997	£405,000	2000	£130,000
1998	£332,000		

Q: *Does the Corporation of Church House charge a full market rent?*

A: No. The Corporation only charges the Church what it needs to maintain the building and its functions, and to provide for future capital expenditure on the building. The costs it charges are, however, having to increase by more than inflation to build up a reserve towards the refurbishment of the north side of Church House in approximately 7-10 years.

Q: *What attempt is made to attract sponsorship and grants?*

A: Whilst outside organisations are often reluctant to provide sponsorship for 'core' work, several parts of the House's work attract grants from sources outside the Church. Much of that is disbursed to the parishes or other front-line ministry work. For example, the Council for the Care of Churches attracts and disburses to the parishes nearly £500,000. Likewise in the last two years, Communications attracted some £47,000 in sponsorship, gifts-in-kind and £50,000 for the *Affirming Service* poster series for all parishes. Other parts of Church House

make money by providing services to outside users, eg Church House Publishing and the Media Development & Training Unit.

Q: *When General Synod asks Church House to take on something new, does it realise the costs?*

A: Standing Orders require the Chairman of the Finance Committee to inform Synod of the cost implications of any new proposals.

Q: *How do we know we aren't doing something which could be best left to the dioceses, parishes or others?*

A: The programme of Activity & Value Audits (see next page) is addressing just that issue. The groups formed to conduct these reviews normally include representation from the dioceses, and look at where the work under examination is best done and at its cost-effectiveness.

Activity and Value Audits

The Archbishops' Council commissioned in late 1999 a programme of activity and value audits (AVAs) to review in turn all aspects of its work. The reviews examine the work which is done, how it is done and at what cost and make recommendations on how the efficiency, effectiveness and cost-effectiveness of the work can be improved. This includes consideration of whether the work needs to be done at all and whether it is being done at the right level within the Church.

Every effort is being made to take forward the programme as swiftly as possible whilst also ensuring that it remains rigorous. Although it would be wrong for cost savings to be the only aim of these reviews, they all have firmly in mind the need to reduce costs to an acceptable minimum level.

The review groups usually include a diocesan representative, which has been helpful, and other external members to ensure an appropriate level of independence and rigour. The groups are charged with reporting in six months and their recommendations are then considered by a Panel of Reference, by the Finance Committee and the Council itself, each of which includes diocesan representation.

Four AVAs have so far been completed, each with a series of recommendations which are now being implemented. These have covered the work of the Central Secretariat, Human Resources, the Church of England Records Centre and the secretarial and support function throughout the Council. Each has raised different issues and in all cases key constituencies have been consulted. These are already leading to restructuring in certain areas which will enhance the service the departments provide.

AVAs currently in train are reviewing the work of Church House Publishing (including Church House Bookshop) and the Ministry Division. In parallel with AVAs, a review of the Boards and Councils has begun which will review how the work of the Boards and Councils should best be organised for the future. In view of the need to identify how substantial savings might be achieved over the next three years, no future AVAs will be launched for the time being to avoid overload and overlap. However, existing AVAs will still be completed and implemented and it is intended that the programme will recommence as soon as it is appropriate to do so.