

Archbishops' Council

**2010 Budget**

## 2010 Budget Overview

The recommended Net Expenditure and Apportionment levels for the 2010 budget, together with the changes on the 2009 level are set out below.

		Net Expenditure		Apportionment	
		£	% inc	£	% inc
Training for Ministry	<b>Vote 1</b>	11,803,600	(6.0)	11,803,600	(1.9)
National Support	<b>Vote 2</b>	10,300,258	1.5	10,300,258	1.5
Grants	<b>Vote 3</b>	1,535,450	(8.0)	1,535,450	(8.0)
Mission Agencies Pensions	<b>Vote 4</b>	830,625	3.8	830,625	3.8
CHARM	<b>Vote 5</b>	3,252,900	5.0	3,252,900	10.3
<b>Total</b>		<b>27,722,833</b>	<b>(1.9)</b>	<b>27,722,833</b>	<b>0.4</b>

The above table highlights a 1.9% reduction in overall net expenditure across the five Votes.

Due to the significant planned use of reserves (for Vote 1 and Vote 5 purposes) within the 2009 budget to help reduce the overall apportionment increase to be met by dioceses, an increase of 0.4% is required for 2010 in order to fund total expenditure via the apportionment.

This booklet sets out the underlying figures and provides details of how the budget is made up and the nature of the work it finances.

The Archbishops' Council seeks, through its budget, to support and enable the Church's work nationally in the most effective way possible.

It is reviewed each year against the Council's strategic objectives and includes the responsibility for funding, at a national level, the training of the Church's future ordained ministers.

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# Executive Summary

## Introduction

1. The Church of England continues, by God's Grace and the generosity of Church people, to finance its nationwide mission and ministry, notwithstanding substantial additional costs in recent years.
2. The Archbishops' Council is acutely conscious, particularly in view of the challenges and opportunities presented by the current economic climate, of the need to provide in the national budget only for expenditure that is necessary. All parts of the budget are examined comprehensively each year and pruned wherever possible. In addition, the Council has separately been reviewing its strategic priorities for the next five years.

## Format

3. This executive summary of the budget is followed by an overall budget summary and detailed sections on each vote. For Vote 2 there is a brief description of each directorate's activity including its cost, staffing (which makes up the vast majority of the total cost) 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.
4. An analysis of income and expenditure of individual departments is available to General Synod members upon request to Simon Florence (Senior Budget Manager) e-mail: [simon.florence@c-of-e.org.uk](mailto:simon.florence@c-of-e.org.uk).
5. Previous budget books have provided an indicative forecast of future year(s) apportionment increases. However since the Archbishops' Council Financial Strategy Review Group's report (which considers the 2011-15 quinquennium) will be considered by this Synod it is considered unnecessary duplication for this document to also include future-year projections.

## Process

6. Each part of the budget has been reviewed line-by-line to ensure that income and expenditure are at realistic and justifiable levels in order to carry out those tasks that need to be undertaken.
7. For Vote 2 each team has prepared a Business Plan commenting on 2008 and 2009 and setting out its proposals for 2010. These plans and budgets, which will be used as working documents, have been reviewed by the Council's Senior Management Group and, in respect of Common Service Departments (which account for almost 30% of the Council's Vote 2 budget), additionally by the Joint Employment and Common Services Board and the governing bodies of the Church Commissioners and Pensions Board.
8. The budget was considered by the Archbishops' Council and endorsed after scrutiny from its Finance Committee. The Inter-Diocesan Finance Forum also had the opportunity to comment on and shape the budget. It was approved by the Council in June in the form set out in this document.
9. The proposed budget envisages for 2010 a 1.9% reduction in overall expenditure for which the Archbishops' Council is responsible. Because of the fact that the 2009 budget was prepared using £670,000 of reserves to reduce the overall increase payable by dioceses via the apportionment, this translates into a 2010 apportionment increase of 0.4%.

### **Vote 1 (Ordination Training)**

10. This budget exists to fund costs associated with ordination training, acknowledging the fact that the training of future clergy is a national responsibility. It is the Church's policy to train all those who are recommended by their Bishop after a process of discernment including a selection panel. The financial systems (including the pooling of additional maintenance costs paid by dioceses) are designed to ensure that dioceses should not suffer financially if they put forward a larger than average number of ordinands.
11. Actual net expenditure in 2008 was £330,000 above budget (this additional sum was met from Vote 1 reserves) as a result of the number of ordinands in training exceeding those envisaged when the budget was drawn up in the first half of 2007. Expenditure was, however, £365,000 below the level forecast for 2008 when Synod approved the 2009 budget.
12. In the 2009 budget, it was assumed that the numbers in training in 2008/9 would be 3.0% above the previous year's total. In the event the actual Full-Time Equivalent (FTE) college numbers, at 580, were 45 (7.2%) below what had been projected, with course numbers 30 below the 2009 budget projection.
13. These numbers translate into a reduction in 2009 expenditure compared to budget of almost £1 million. Unless there is an unexpected increase in numbers entering training for the 2009/10 academic year, then Vote 1 reserves are likely to be slightly above the mid-point of the Council's minimum/maximum reserve policy levels.
14. Looking ahead to 2010, the budget has been produced in light of the current best estimate of ordinands for 2009/2010 based on the reduced numbers coming through to selection conferences during the early months of 2009, and from discussions with Diocesan Directors of Ordinands regarding the potential number of future candidates. Nevertheless, as recent history has shown, firm knowledge of the actual number of starters for the impending academic year does not emerge until the autumn. The recent House of Bishops decision to move to an end of May deadline from 2011 will assist budgeting, and training institutions' planning.
15. The 2010 budget has been prepared on the assumption that the recent decline, from the 2007 peak, in numbers undertaking college-based training will plateau. Course-based training numbers are estimated to increase marginally due to the integration of some of the Ordained Lay Ministry (OLM) schemes into courses as OLM candidates are increasingly being deployed on a diocesan basis.
16. Candidates for stipendiary ministry who are under the age of 32 would normally be expected to follow college-based training. Older candidates generally follow regional course-based training (though do remain eligible for college-based training). Candidates for self-supporting ministry would normally train on regional courses.
17. The cost, to Vote 1, of course-based training equates to roughly 54% of the cost of college-based training. (This calculation does not take account of additional maintenance contributions funded by dioceses in the first instance).
18. In total, the Archbishops' Council recommends a Vote 1 budget with net expenditure of £11,803,600 for 2010, 6.0% below 2009 budgeted net expenditure. This equates to an apportionment 1.9% below the 2009 level.

### **Vote 2 (National Church Responsibilities)**

19. Vote 2 covers the costs of work that needs to be undertaken nationally, or is best carried out at that level, to support the Church's mission.
20. Over the past eight years Vote 2 apportionment increases have been held substantially below the equivalent annual increases in retail prices and average earnings. Over the 2002-9 period the Vote 2 budget increased by 9.0% (an average of 1.2% p.a.), whilst RPI increased by 21.6% (2.8% p.a.) and average earnings by 24.7% (3.2% p.a.).
21. Due to cost savings across many of the Council's departments, net expenditure on Vote 2 in 2008 was some £186,000 below budget. This was after absorbing an unbudgeted write-off of £36,000 in respect of historic balances and an unrealised loss of £63,000 from an investment which was transferred into the Council's general fund in 2007.
22. For 2009, the current forecast suggests savings against budget of £102,000 will be achieved, largely as a result of vacancies in a number of posts. However, the Vote 2 position remains tight, with a number of uncertainties over many areas of spend.
23. The recommended 2010 budget of £10,300,000 projects a further year of low increase to the Vote 2 apportionment at 1.5%. This takes account both of what is expected to be a very tight pay settlement and some unavoidable additional pension costs as a result of the triennial valuation of the defined benefit scheme as at 31 December 2008 (which was closed to new entrants from 1 July 2006).
24. Departmental expenditure increases have been largely curtailed (overall increase of 0.2%) following detailed scrutiny by the Council's in-house Finance & Resources team and subsequently by its Senior Management Group. However, the 2009 budget was prepared using a one-off transfer of £126,000 from a designated fund to supplement general income, hence 2010 income represents a marked year-on-year decrease.
25. The long lead-in time for the preparation of budgets means that new items of expenditure always arise which could not have been foreseen early in the previous year when the budgets were prepared. The £50,000 contingency included within the budget provides a means of meeting unplanned expenditure which the Secretary General and the Finance Committee (or its Chairman if the decision is required at short notice) deem necessary.
26. Another consequence of the lead-in time is that this budget was at an advanced state of preparation before the Council's recent decision to seek to outsource the delivery of its publishing requirements. It is expected that, if outsourcing proceeds, the costs of meeting the Council's publishing requirements will be contained within the budgetary provision being made for 2010 (see page 33). One off transitional costs in 2009 will be met as necessary from the contingency and designated funds.

### **Vote 3 (Grants)**

27. Vote 3 covers the Church of England's national and international contributions as part of the worldwide Anglican Communion and as a Church seeking to work wherever possible with other denominations in this country and abroad. In addition, contributions towards the Legal Aid Fund, and tribunal costs, are met from Vote 3.
28. The significant scaling back in the activities of Churches Together in Britain and Ireland, which the Council and other churches have welcomed, has provided scope for a £150,000 reduction in the Council's budget for the home ecumenical instruments.

29. A 4% increase in the Inter-Anglican budget has been included, but the budget assumes contributions to the other Vote 3 beneficiaries will be maintained at 2009 levels.
30. A budget of £1,535,000 is therefore recommended for Vote 3 in 2010, a decrease of 8.0% on 2009.

#### **Vote 4 (Mission Agencies Pension Contributions)**

31. Vote 4 covers the pension cost of clergy working for the mission agencies.
32. As agreed by General Synod back in July 2004, the maximum amount made available to fund such pension contributions is capped at the 2004 level plus RPI in subsequent years. Due to the reduction in qualifying numbers over recent years the vote 4 budget cap has, to date, not been breached.
33. However, the interim increase in the clergy pensions contribution rate with effect from 1 January 2010 (to 45.0% of the previous year's national minimum stipend) is likely to result in this capped amount being exceeded, thus the additional amount (estimated at £36,000) would need to be borne by the mission agencies.
34. Taking the above into consideration, the 2010 Vote 4 budget is based on an increase of 3.8% to the capped level of £830,000.

#### **Vote 5 (CHARM)**

35. Vote 5 comprises the revenue costs of the Church's retirement housing scheme to ensure that all clergy have access to housing on retirement.
36. Net expenditure in 2008 was £26,000 in excess of budget (£173,000 greater than apportionment) due to significant repair costs resulting from a number of properties falling into disrepair.
37. Due to the relatively high level of unrestricted Vote 2 reserves as at the end of 2007, the 2009 budget was constructed on the basis of significant use (£150,000) of these unrestricted reserves to help meet Vote 5 expenditure rather than pass on the entire increase to dioceses. Current forecasts suggest that Vote 5 expenditure during 2009 will be £23,000 below budget – i.e. £127,000 in excess of diocesan contributions.
38. The recommended 2010 budget, taking into account repairs, maintenance and financing charges, projects an increase in Vote 5 expenditure of 5.0%. This in turn will require an apportionment increase of 10.3% to enable the budgeted expenditure to be fully funded from the Vote 5 apportionment.

#### **Apportionment**

39. The apportionment of the budget covered in this report is set out in a table on page 52. It is based on the formula agreed by the General Synod in 2001. It incorporates some small modifications agreed last year, including the imposition of a cap on the amount that any individual diocese's apportionment can increase in a given year (for 2010, the cap has been set at 2.0% above the average increase, i.e. the maximum apportionment faced by any diocese is 2.4%).
40. As in recent years the apportionment for the Diocese in Europe (estimated to be around £58,000 in 2010 in advance of pooling adjustments) is waived to enable corresponding funds to be available for mission projects as the Diocese is not legally able to receive funds from the Mission Development Fund (formerly the Parish Mission Fund).

41. The Forces Synodical Council has been contributing to Apportionment since 1 July 2005 and this has been factored into the Table of Apportionment, reducing slightly the amount requested of dioceses.

### **Reserves**

42. The Archbishops' Council reviews its reserve levels annually to ensure that reserves are adequate, without being excessive. The current reserves policy levels can be seen on page 51 of this document.

43. The 2009 budget was prepared following the Council's recommendation that £670,000 (£520,000 in respect of Vote 1, £150,000 in respect of Vote 5) be available for drawdown from its unrestricted, Vote 2, reserves so as to reduce the overall increase in apportionment requested from dioceses. As noted above (paragraph 12), the potential Vote 1 financial pressures that were perceived as at time of construction of the 2009 budget now look unlikely to materialise, in the short-term at least. Thus, only Vote 5 presents an immediate requirement to drawdown unrestricted reserves.

44. To this end, the Council have recommended that £327,000 of its unrestricted reserves be designated for use to meet Vote 5 expenditure. Taking account of this designated sum, Vote 5 reserve levels as at the end of 2009 (and 2010) will be within its agreed policy level.

45. The recommended 2010 budget has been constructed matching expenditure to diocesan contributions, thus no further drawdown of reserves has been planned.

### **Conclusion**

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

	2010 Apportionment	% inc/(dec) vs 2009 apportionment
Vote 1	£11,803,600	(1.9%)
Vote 2	£10,300,258	1.5%
Vote 3	£1,535,450	(8.0%)
Vote 4	£830,625	3.8%
Vote 5	£3,252,900	10.3%
<b>TOTAL</b>	<b>£27,722,833</b>	<b>0.4%</b>



## Budget Summary

	Actual 2008 £	Budget 2008 £	Budget 2009 £	Forecast 2009 £	Budget 2010 £
<b><u>Training for Ministry</u></b>					
Net Expenditure	11,279,738	10,947,200	12,553,600	11,599,900	11,803,600
Less Diocesan Contributions <b>Vote 1</b>	(10,647,200)	(10,647,200)	(12,033,600)	(12,033,600)	(11,803,600)
Movement (to)/from Reserves	632,538	300,000	520,000	(433,700)	-
<b><u>National Church Responsibilities</u></b>					
Central Secretariat	1,693,583	1,826,052	1,818,418	1,762,998	1,828,087
Ministry Division	1,471,691	1,527,549	1,491,956	1,407,732	1,450,968
Education	637,112	656,475	671,024	657,824	691,407
Mission & Public Affairs	1,173,544	1,272,294	1,285,517	1,238,005	1,272,161
Cathedral & Church Buildings	750,702	797,152	809,189	828,718	834,650
Church House Publishing	117,094	34,432	33,433	77,525	76,539
Communications	438,739	452,618	453,643	446,148	461,490
Human Resources	289,066	266,486	276,222	268,442	284,743
Legal	619,388	624,469	646,291	609,859	669,272
Finance & Resources	857,675	773,177	842,888	844,106	832,006
IT & Office Services	560,813	626,845	551,936	563,006	559,178
Records	94,865	96,480	94,960	94,362	102,393
Internal Audit	81,717	81,858	73,860	78,614	73,640
Accommodation	1,243,761	1,228,639	1,337,618	1,280,605	1,304,384
Depreciation	125,799	105,800	207,170	238,341	173,341
Contingency	174,049	50,000	50,000	50,000	50,000
	10,329,599	10,420,328	10,644,124	10,446,283	10,664,258
General Income	(455,865)	(360,000)	(496,170)	(400,317)	(364,000)
Net Expenditure	9,873,734	10,060,328	10,147,954	10,045,966	10,300,258
Less Diocesan Contributions <b>Vote 2</b>	(10,060,328)	(10,060,328)	(10,147,954)	(10,147,954)	(10,300,258)
Movement (to)/from Reserves	(186,594)	-	-	(101,988)	-
<b><u>Grants</u></b>					
Net Expenditure	1,596,200	1,596,200	1,668,200	1,668,200	1,535,450
Diocesan Contributions <b>Vote 3</b>	(1,596,200)	(1,596,200)	(1,668,200)	(1,668,200)	(1,535,450)
Movement (to)/from Reserves	-	-	-	-	-
<b><u>Mission Agency / Clergy Pensions</u></b>					
Net Expenditure	758,779	800,000	800,000	780,000	830,625
Diocesan Contributions <b>Vote 4</b>	(800,000)	(800,000)	(800,000)	(800,000)	(830,625)
Movement (to)/from Reserves	(41,221)	-	-	(20,000)	-
<b><u>CHARM</u></b>					
Net Expenditure	2,985,525	2,960,000	3,099,000	3,076,305	3,252,900
Diocesan Contributions <b>Vote 5</b>	(2,813,003)	(2,813,000)	(2,949,000)	(2,949,000)	(3,252,900)
Movement (to)/from Reserves	172,522	147,000	150,000	127,305	-
<b><u>Overall Apportionment</u></b>	(25,916,731)	(25,916,728)	(27,598,754)	(27,598,754)	(27,722,833)

## Training for Ministry budget (Vote 1)

<u>Budget 2010:</u>	£11,803,600
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### The scope of the Vote 1 budget

1. The Vote 1 budget covers the tuition costs, university fees, and college and personal maintenance, book, and travel costs of sponsored ordinands prior to ordination. Additionally ordinands following an approved course of mixed mode training are funded for up to two further years after ordination.
2. The funding for tuition costs is provided to training institutions through a system of standard block grants for the academic year. The amount of the block grants is based on the number of Full Time Equivalent (FTE) ordinands; full time equivalence for this purpose is based on the standard training pathway at the college or Regional course.
3. Ordinands undertaking college training receive a means tested maintenance and personal grant from the Vote 1 budget at differential rates depending on being resident or non-resident at the college. The dioceses are directly responsible for the additional cost of the means tested family support for married ordinands and some supplementary maintenance for single ordinands whilst at college. This additional expenditure, based on guidelines issued by the Ministry division, is pooled and apportioned across the dioceses as explained below.
4. Ordinands training on regional courses are supported with book and travel grants paid from the Vote 1 budget. It is the responsibility of the sponsoring diocese to meet the cost of the book and travel allowances for OLM ordinands.

### Methodology used in drawing up the training budget

#### Numbers

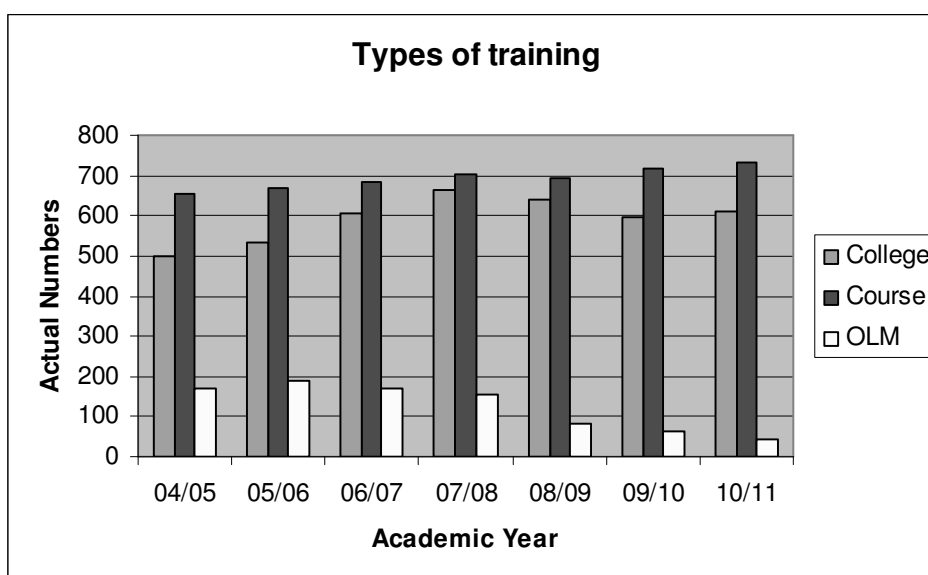
5. In order to prepare the training budget it is necessary to estimate the numbers entering training at the start of the next two academic years and the training pathways to be followed. When drawing up the budget account is taken of the number of candidates currently offering themselves for selection, past recommendation rates and previous patterns of training using Ministry Division statistics. Recommended candidates may enter training at the start of the next academic year, providing that they attended a selection panel by the cut off date. (Currently this is set at the end of the first week in August but from 2011 will be changing to the 31<sup>st</sup> May).
6. The majority of ordinands follow the standard patterns of training. Increasingly some ordinands undertake either shortened or additional modules as a part of their training and formation. This factor, together with candidates undertaking research degrees and mixed mode training, accounts for the difference between the actual numbers and FTE numbers. The expected numbers (actual and FTE) in training for the academic years covered by the 2010 budget and the previous five academic years are set out below.

### Numbers in training by academic year

	2004/05		2005/06		2006/07		2007/08		2008/09		2009/10		2010/11	
	Actl	FTE	Actl	FTE	Actl	FTE	Actl	FTE	Actl	FTE	Est	FTE	Est	FTE
<b>College*</b>	501	482	532	497	608	545	665	605	639	580	595	535	610	540
<b>Course**</b>	654	654	668	668	682	682	704	687	694	694	720	720	730	730
<b>OLM</b>	169	169	189	189	170	170	153	153	84	84	64	64	44	44
<b>Total</b>	<b>1324</b>	<b>1305</b>	<b>1389</b>	<b>1354</b>	<b>1460</b>	<b>1397</b>	<b>1522</b>	<b>1445</b>	<b>1417</b>	<b>1358</b>	<b>1379</b>	<b>1319</b>	<b>1384</b>	<b>1314</b>

\* College numbers include ordinands who are research students and candidates undertaking mixed-mode training with the St John's College, Nottingham scheme and the Ridley Hall scheme for two years beyond ordination.

\*\* The Course student numbers include those candidates undertaking diocesan pre-theological training. There are currently 12 students in this category; numbers in this category are expected to remain stable in the forthcoming two academic years.



## **Costs**

7. 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 2010 budget.
  - Tuition costs are expected to increase by 2.9% in 2009/10 and a further 1.25% in 2010/11. This increase takes account of the expected increases in the National Minimum Stipend that forms the basis of the Lichfield scale of recommended salaries for academic staff in theological institutions. Training institutions are permitted to pay more than the scale rates but no additional funding is made available from Vote 1.
  - Provision has been made for the interim increase in the contribution rate for the clergy pension scheme from 39.7% to 45% of the previous year's national minimum stipend from 1<sup>st</sup> January 2010.
  - Block grants for colleges include an additional £219 per FTE student to offset reductions in other sources of income.
  - Maintenance grants and allowances to students will increase by 2% in both 2009/10 and 2010/11.
  - Course numbers are estimated to increase marginally in 2009/10 because of OLM schemes being integrated into courses.
  - Expenditure on OLM Schemes will decrease following gradual reduction in number of diocesan schemes.
  - The Church share of the cost of training, taking into account LEA awards and personal contributions, is estimated at 97% for Colleges and 98% for Courses.
  - Mixed-mode training – increased expenditure under this heading follows an increase in numbers of mixed-mode candidates in training for a two year period after ordination.

## **Other trust funds**

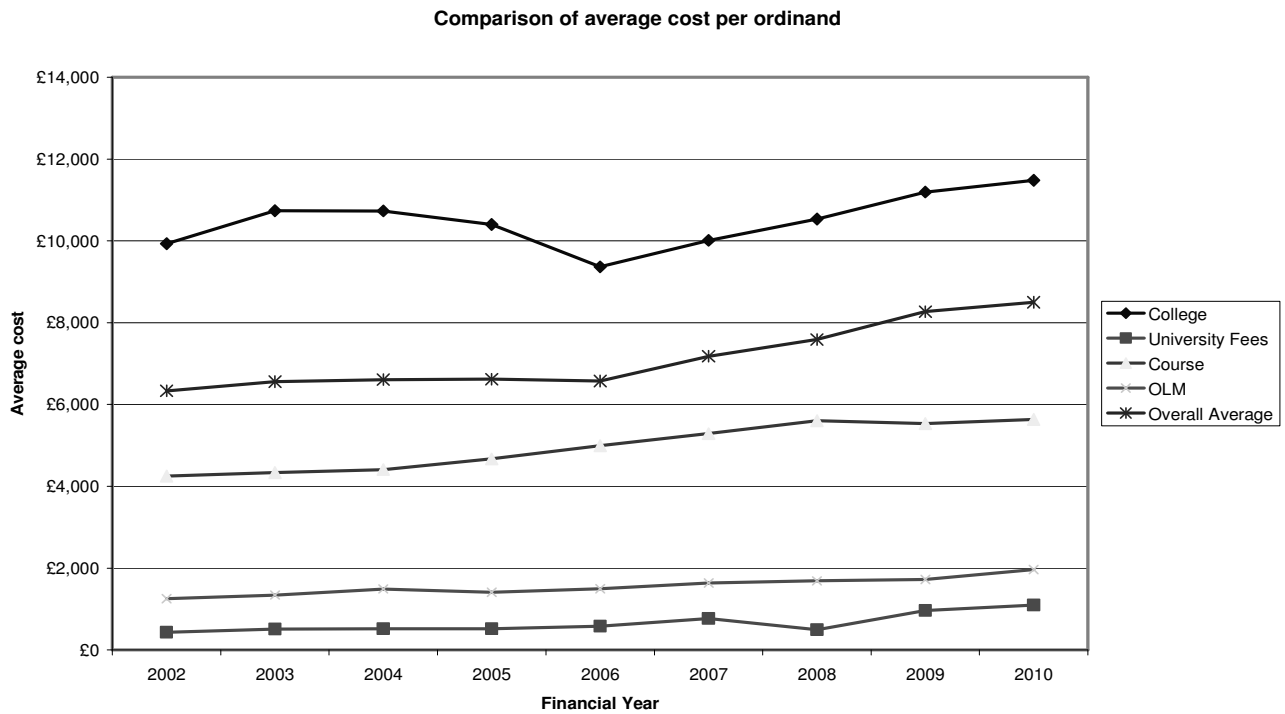
8. The Archbishops' Council Ministry Training Trust Fund was created in 2006 from a number of smaller funds and is to be used to support ordinands in their training along with other initiatives to support and enhance Ministerial Training.
9. An important element of the support of ordinands is the support from The Church Times Train a Priest Fund which supports most married ordinands in their training. Those ordinands who experience unexpected and unplanned additional expenditure whilst in training are also supported by grants from The Church Times Train a Priest Special Hardship Fund which can make awards in exceptional circumstances. We are grateful to the readers of the Church Times for their continuing support.

## **New Training Pathways**

10. The House of Bishops has approved a number of changes to the permitted training pathways for ordinands from the start of the 2009/10 academic year. It is expected that the changes will be cost neutral when compared to the present regulations

## Average Costs since 2002

11. The average annual costs (funded via Vote 1 - i.e. excluding diocesan maintenance contributions for college based ordinands of around £1,900 for a single student, £10,500 for a married student in 2009/10) of the different forms of training are shown below. The reduction in college costs in 2006 reflects the one-year policy of restricting any increase in core costs of the institutions to those funded in the previous year despite an increase in the overall numbers in training.



12. 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 year(s) of study and the particular university award being studied.

## Block Grant Funding

13. Institutions are funded by means of block grants to meet the tuition costs of ordinands. These grants are based on the expected academic and administrative staff costs, premises and other costs. The cost of academic staff is based on an expected staff /student ratios of 1:10 and 1:20 in colleges and courses respectively.
14. The block grant system aims to provide a level playing field between different institutions and to provide an element of continuity in the funding, avoiding the fluctuations brought about by small changes in ordinand numbers. There are transitional provisions to smooth the changes in funding where institutions move between one band and another between academic years. In certain circumstances, institutions may apply for additional funding. Details of block grants and the additional funding approved by the Ministry Division Finance Panel for the academic year 2008/09 are set out on pages 19 & 20.

## **University Fees**

15. The cost of university fees for ordinands is currently met centrally from the Vote 1 budget.
16. In November 2008, the Secretary of State for the Department Innovation, Universities, and Skills requested the Higher Education Funding Council for England (HEFCE) to reduce its funding to Higher Education Institutions (HEIs) by £100m and to target funding towards those without previous university qualifications. HEFCE, in response, announced that it would no longer fund students who were studying for an Equal or Lower qualification (ELQ) than they currently held. The effect of this could have increased the cost of theological education and training to the Church significantly given that approximately 75% of our ordinands already possess a first degree or higher award. Several HEIs indicated that the university fees for such ordinands might increase from an average of £3,000 to £6,500 or even in some cases to the Non-EU overseas rate.
17. The House of Bishops urged the Secretary of State to reconsider. In response the Secretary of State asked HEFCE to work with the Church to find a suitable solution to avoid penalising the Church, and agreed to a one-year postponement of the introduction of the policy so far as it affected those studying for a ministerial degree. The Archbishops' Council is grateful to HEFCE for the way in which it has worked so willingly to find an equitable solution.
18. It is proposed that in future most ordinands will study for a foundation degree or for an employer co-funded award both of which are exempted from the ELQ changes. HEIs validating these awards will be able to include ordinands within their student numbers and thus draw down funding from HEFCE. The majority of this funding should be passed to our training institutions.
19. However, there will be significant numbers of ordinands for whom foundation or employer co-funded awards would not be sufficiently stretching or whom the Church would wish to study for non co-funded departmental or higher award in University departments of theology. These ordinands will have the ability and potential to offer future strategic leadership or educational abilities to the Church. To this end, a fund will be created within Vote 1 to meet the higher costs of their university fees.
20. In this case the amounts payable to the institutions under the tuition block grants will be reduced (but balanced by the increased funding from the HEI) whilst the overall amount set aside for University fees will be increased. If this policy is adopted it is expected that the overall cost of ministerial education and training will be kept within the present parameters of Vote 1.

## **Pooling of additional maintenance grants for ordinands**

21. In addition to the basic maintenance provided from Vote 1, married ordinands and some single ordinands are supported by additional payments from their sponsoring diocese. If additional payments are made in accordance with the guidelines issued by the Ministry Division then the cost for the financial year is pooled amongst all dioceses and apportioned in accordance with the apportionment formula that includes an element of mutual support. Previously any adjustments due to or from the diocese were adjusted two years after the payment. Thus, payments made in 2008 will be adjusted in 2010. Details of amounts are shown in the table of apportionment on page 52.
22. With effect from the start of the 2009/10 academic year the pooling payments will be switched to an academic year basis and the pooling adjustment will take place in the following financial year. Thus, the payments for 2009/10 academic year will be adjusted in 2011, along with payments from 1st January 2009 to 31st August 2009. This change, which has been made after consultation with dioceses, will result in a quicker adjustment whilst giving dioceses sufficient

time to build the adjustments into their budget planning. The total amount of the additional maintenance in 2008 was £4,176,700 (2007 £4,058,000).

### **Deployment of Ordinands into training posts**

23. The numbers deployed into training posts in 2008 and in 2009 together with the expected numbers seeking title posts are set out below. It is expected that the majority of candidates trained for stipendiary ministry will find suitable training posts. However, in some circumstances where ordinands are seeking particular types of post and / or posts in particular locations, this may not be possible immediately. Some ordinands will then choose to undertake further training. This additional training is normally at the ordinand's own cost or raised through the support of third party trusts. Other ordinands may choose to defer deployment to a later year or accept a self-supporting title post in the first instance or obtain a lay ministry post where these are available.

<b>Deployment to Title posts</b>	<b>2008</b>	<b>2009</b>	<b>2011</b>
Stipendiary*	319	339	334
Self Supporting and OLM	221	198	230

\* Reflects the deferral by some candidates from earlier years

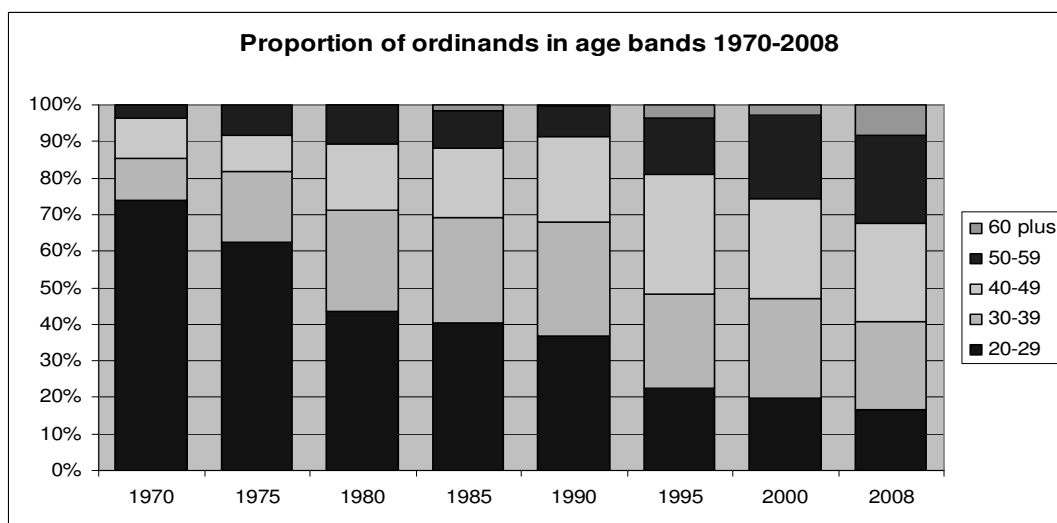
### **Expectations for numbers of clergy over the next 5-10 years**

24. The numbers of stipendiary clergy are projected to decline by 25% over the next 20 years as the baby boom generation reaches retirement age. Given that it takes around 10 years to call out, train, and develop an incumbent and the increasing importance that will be placed on the voluntary self-supporting ministry, it is important that investment in the training of priests is a strategic priority.

25. Given concern over the volatility of Vote 1 expenditure, work is being done across the Church to assess workforce needs for the next twenty years and consider how these may be met through a combination of paid and self-supporting ministers. These assessments will provide a basis for calculating the ongoing levels of selection and training needed to realise the dioceses' ministry plans. This is unlikely to show a need for a reduction in investment in training in the long term. Responsible stewardship means ensuring that the Church has the capacity to complete the training of those candidates it sends into initial ministerial training in the next few years.

26. For the first time in 2009, as part of the annual clergy projections exercise, the Deployment, Remuneration and Conditions of Service Committee (DRACSC) is asking dioceses to indicate how many new title posts they will be able to offer in each of the next three years. This information would provide the starting point for a training budget that is linked to the Church's known needs in future years.

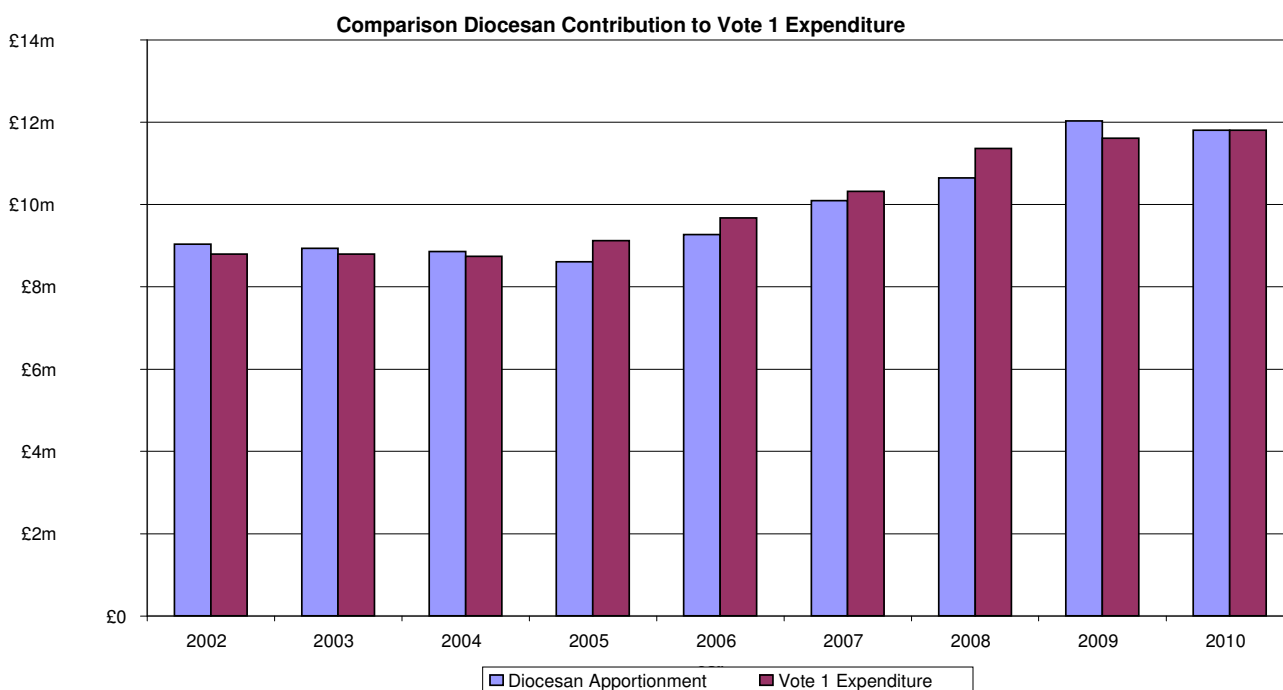
27. It is important to note that the average age of the newly ordained is increasing. This not only reflects the increasing number of self-supporting ministers and retirement ministries but also means that those entering the stipendiary ministry have shorter service time available.



28. Further detailed breakdown of age profiles by type of ministry are shown on page 21.

## Reserves

29. The comparison between the amounts requested from the dioceses and actual (or expected) expenditure is set out below. The chart shows that the diocesan apportionment for the years 2005 to 2008 was less than the expected expenditure. In these years, the additional cost was met from the reserves of the Archbishops' Council held specifically for Vote 1 purposes. In 2009 with an expected fall in the number of candidates, the amount payable from the dioceses will exceed expenditure. The surplus will be used to augment the Vote 1 reserves that at the end of 2008 were only marginally above the minimum level of one and a half months' expenditure.





30. The 2009 budget anticipated drawing up to £520,000 from the Council's unrestricted (Vote 2) reserves to fund Vote 1 expenditure without passing these costs on to the dioceses via the apportionment.
31. At the same time it was expected that, in order to meet forecast 2008 expenditure, a further £700,000 on top of the £300,000 already included within the 2008 budget would be drawn from Vote 1 reserves. This was a result of an additional 50 ordinands choosing residential training instead of non-residential training. Ordinands moving from OLM type training into courses masked the resultant fall in course type training.
32. Projecting these trends forward suggested that the 2008/09 and 2009/10 academic year might have seen 625 FTE ordinands in residential training and 720 in course type training. However, as can be seen from the actual figure on page 11 this trend did not continue and thus it is now forecast that £434,000 will be returned to reserves in 2009 unless there is an unexpected late surge in the numbers entering training in 2009/2010. It is not planned to call on the reserves in 2010, as the 2010 budget has been prepared on the basis that expenditure will be fully funded from the apportionment.
33. A summary of the Vote 1 reserves position is outlined below:

	£000s
Balance at 1 <sup>st</sup> January 2009	£1,849
Expected under spend on Vote 1 budget in 2009	£ 434
Expected balance at 31 <sup>st</sup> December 2009 and 2010	£2,283

(This is within the minimum and maximum size for the Vote 1 reserves)

## Vote 1 Budget

Approved Budget 2009		Academic Year 2008/09	Expected Outturn 2009	Academic Year 2009/10	Budget 2010	Academic Year 2010/11
£		£		£		£
	<b>TUITION COSTS</b>					
4,327,300	Colleges	3,993,400	3,983,200	3,962,700	4,021,400	4,138,800
3,488,000	Courses	3,350,900	3,435,900	3,605,800	3,627,200	3,670,200
214,000	Schemes	142,800	132,500	111,900	111,900	79,200
169,900	Mixed Mode Schemes	79,300	103,000	150,300	124,500	72,800
9,500	Pre Theological Education	9,100	9,200	9,400	9,500	9,700
<b>8,208,700</b>		<b>7,575,500</b>	<b>7,663,800</b>	<b>7,840,100</b>	<b>7,894,500</b>	<b>7,970,700</b>
	<b>UNIVERSITY FEES</b>					
536,600	Colleges	429,800	431,300	434,400	458,400	482,300
165,200	Courses	158,900	168,300	187,200	198,000	208,800
<b>701,800</b>		<b>588,700</b>	<b>599,600</b>	<b>621,600</b>	<b>656,400</b>	<b>691,100</b>
	<b>ORDINAND ALLOWANCES AND MAINTENANCE</b>					
3,429,400	Colleges	3,138,700	3,076,900	2,953,200	2,982,300	3,040,400
536,700	Courses	517,000	527,100	547,200	553,400	565,800
37,500	Disability and Dyslexia Grants	35,000	35,700	37,100	37,800	39,300
<b>4,003,600</b>		<b>3,690,700</b>	<b>3,639,700</b>	<b>3,537,500</b>	<b>3,573,500</b>	<b>3,645,500</b>
<b>-315,500</b>	<b>LEA and self funded adjustments</b>	-293,500	-293,200	-292,600	-295,800	-302,200
<b>£12,598,600</b>	<b>TOTAL VOTE 1 EXPENDITURE</b>	<b>£11,561,400</b>	<b>£11,609,900</b>	<b>£11,706,600</b>	<b>£11,828,600</b>	<b>£12,005,100</b>
45,000	Investment Income	10,000	10,000	20,000	25,000	25,000
12,033,600	Diocesan Contribution	11,571,467	12,033,600	11,956,900	11,803,600	11,980,100
<b>£520,000</b>	<b>Use of (addition to) Reserves</b>	<b>-£20,067</b>	<b>-£433,700</b>	<b>-£270,300</b>	<b>£0</b>	<b>£0</b>

## Details of the Block Grants paid (to colleges) for the academic year 2008/09

College	FTE Ordinands	Standard Block Grant £	Transitional Funding £	Total Block Funding £	Ordinand Maint'nce £	Total Costs £	Average Cost £
Cranmer Hall Durham	42.5	294,011	34,656	328,667	144,837	473,504	11,141
Mirfield	20.5	137,108	-	137,108	68,340	205,448	10,022
Oak Hill	46.5	328,729	17,297	346,026	135,320	481,346	10,352
Queens College Birmingham	19.97	119,497	17,611	137,108	52,725	189,833	9,506
Ridley Hall Cambridge	72.3	493,558	16,562	510,120	297,055	807,175	11,164
Ripon College Cuddesdon	63	431,740	(17,041)	414,699	207,582	622,281	9,877
St John's College Nottingham	66.75	461,489	32,597	494,086	220,044	714,130	10,699
St Stephens House Oxford	24.5	154,718	-	154,718	89,800	244,518	9,980
Trinity College Bristol	77.5	526,682	(16,562)	510,120	234,510	744,630	9,608
Westcott House Cambridge	68.6	461,489	(14,875)	446,614	246,280	692,894	10,101
Wycliffe Hall Oxford	64	431,740	30,909	462,649	187,065	649,714	10,152
St Michael's Llandaff (fees)	5	51,500	-	51,500	£0	51,500	10,300
<b>TOTAL</b>	<b>571.12</b>	<b>3,892,261</b>	<b>101,154</b>	<b>3,993,415</b>	<b>1,883,558</b>	<b>5,876,973</b>	<b>10,290</b>

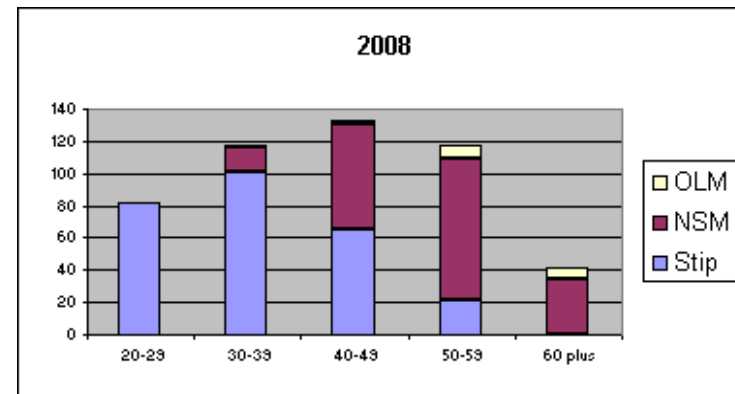
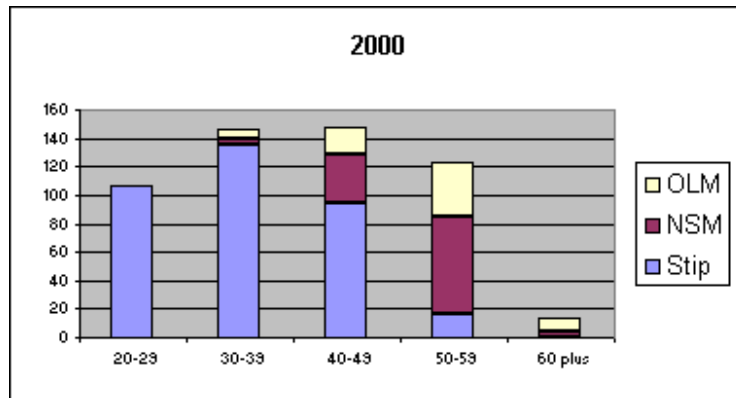
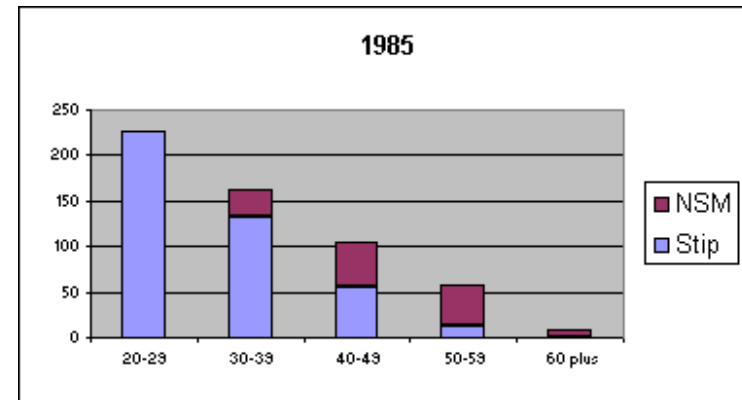
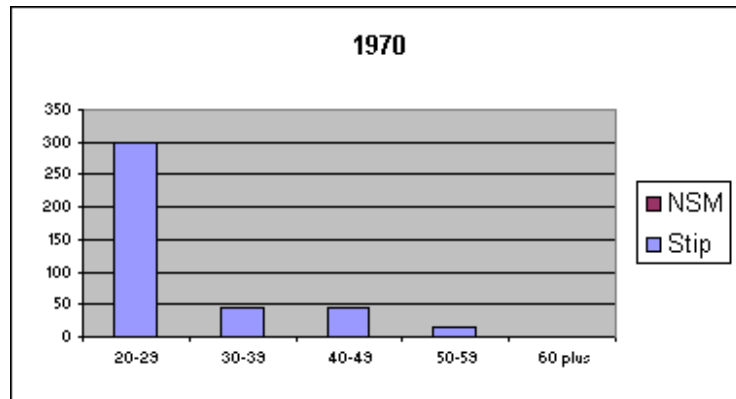
## Details of the Block Grants paid (to regional courses) for the academic year 2008/09

	FTE Ordinands	Standard Block Grant £	Transitional Funding £	Additional Funding £	Total Block Funding £	Total Costs £	Average Cost £
<b>Courses</b>							
East Midlands Training Course	26	137,654	(17,011)		120,643	120,643	4,640
Eastern Region Ministry Course	56	281,392	40,499		321,891	321,891	5,748
Lancs and Cumbria Training Partnership	25	103,632	17,011		120,643	120,643	4,826
North Eastern Oecumenical Course	11	54,513	24,559		79,072	79,072	7,188
St Mellitus College*	76.8	362,390	-		362,390	362,390	4,719
Oxford Ministry Course	59.2	281,392	(6,741)		274,651	274,651	4,639
South Eastern Institute Theological Education	92	455,500	(23,277)		432,223	432,223	4,698
South North West Training Partnership	50	233,276	(41,070)		192,206	192,206	3,844
Southern Theological Educational and Training Scheme	117	547,411	(22,977)		524,434	524,434	4,482
South West Ministry Training Course	36	185,159	-	13,256	198,415	198,415	5,512
West Midlands Ministerial Training	45	198,642	17,317		215,959	215,959	4,799
West of England Ministerial Training Course	40	185,159	6,742		191,901	191,901	4,798
Yorkshire Ministry Course	65	316,435	-		316,435	316,435	4,868
<b>Total</b>	<b>699</b>	<b>3,342,555</b>	<b>(4,950)</b>	<b>13,256</b>	<b>3,350,861</b>	<b>3,350,861</b>	<b>4,794</b>

### AGE PROFILE BY EXPECTED TYPE OF MINISTRY

AGE	1970			1985			2000				2008			
	Stip	NSM	Total	Stip	NSM	Total	Stip	NSM	OLM	Total	Stip	NSM	OLM	Total
20-29	298	0	<b>298</b>	226	1	<b>227</b>	106	0	0	<b>106</b>	82	0	0	<b>82</b>
30-39	46	0	<b>46</b>	133	29	<b>162</b>	136	4	6	<b>146</b>	101	15	1	<b>117</b>
40-49	44	0	<b>44</b>	56	49	<b>105</b>	94	35	19	<b>148</b>	65	65	3	<b>133</b>
50-59	15	0	<b>15</b>	12	46	<b>58</b>	17	68	38	<b>123</b>	21	88	8	<b>117</b>
60 plus	0	0	<b>0</b>	0	9	<b>9</b>	0	4	10	<b>14</b>	0	34	7	<b>41</b>
<b>Total</b>	<b>403</b>	<b>0</b>	<b>403</b>	<b>427</b>	<b>134</b>	<b>561</b>	<b>353</b>	<b>111</b>	<b>73</b>	<b>537</b>	<b>269</b>	<b>202</b>	<b>19</b>	<b>490</b>

**Note:** The figures from 1999 to date include candidates attending National and Local Bishops' Selection Conferences.



## 2008 POOLING TOTALS

	DIOCESE	Married	Unmarried	Total
1	Bath and Wells	80,463	32,406	112,869
2	Birmingham	44,002	2,590	46,592
3	Blackburn	47,549	3,238	50,787
4	Bradford	72,996	19,657	92,653
5	Bristol	77,938	1,889	79,827
6	Canterbury	10,066	1,290	11,356
7	Carlisle	28,722	367	29,089
8	Chelmsford	49,366	9,659	59,025
9	Chester	138,164	7,391	145,555
10	Chichester	143,117	10,116	153,233
11	Coventry	67,551	3,870	71,421
12	Derby	42,978	0	42,978
13	Durham	113,377	7,714	121,091
14	Ely	222,218	8,803	231,021
15	Exeter	47,501	4,638	52,139
16	Gloucester	137,874	1,250	139,124
17	Guildford	92,693	6,727	99,420
18	Hereford	20,873	1,290	22,163
19	Leicester	81,864	2,580	84,444
20	Lichfield	81,495	1,595	83,090
21	Lincoln	37,411	0	37,411
22	Liverpool	46,641	4,565	51,206
23	London	480,198	42,474	522,672
24	Manchester	41,169	5,692	46,861
25	Newcastle	37,916	0	37,916
26	Norwich	50,836	4,564	55,400
27	Oxford	250,908	20,537	271,445
28	Peterborough	76,595	4,520	81,115
29	Portsmouth	33,331	1,590	34,921
30	Ripon	57,939	4,270	62,209
31	Rochester	106,297	10,388	116,685
32	St Albans	83,158	7,949	91,107
33	St Edms and Ipswich	6,704	0	6,704
34	Salisbury	87,126	4,189	91,315
35	Sheffield	49,359	1,330	50,689
36	Sodor and Man	0	0	0
37	Southwark	372,531	45,765	418,296
38	Southwell	74,434	3,870	78,304
39	Truro	16,058	900	16,958
40	Wakefield	34,304	20,659	54,963
41	Winchester	131,050	4,070	135,120
42	Worcester	42,786	2,580	45,366
43	York	95,458	10,428	105,886
44	Europe	32,295	4,016	36,311
	<b>TOTAL 2008</b>	<b>3,845,311</b>	<b>331,426</b>	<b>4,176,737</b>

## National Support (Vote 2)

### Central Secretariat

(including Council for Christian Unity and Research and Statistics)

Director: David Williams (Clerk to the Synod and Head of Central Secretariat)

Number of Staff: 23 Full-time 2 Part-time/part-funded

Budget 2010 (net): £1,828, 087

The budget for the Central Secretariat includes the costs of the Secretary-General and his office.

#### *Functions*

- General Synod support
- Liturgical support
- Dioceses Commission support
- Archbishops' Council support
- House of Bishops' support
- Appointments Committee
- Safeguarding issues (child and vulnerable adult protection)
- Advice on Church Unity issues and fostering of ecumenical work nationally
- Central statistics and research resource

#### *Staffing*

##### Central Secretariat

- Head of the Central Secretariat / Clerk to the Synod + full-time assistant
- House of Bishops support – 2 full-time staff; 1 half-share staff (with CCU)
- Liturgical and Dioceses Commission support – 3 full-time staff
- Administrative Secretary and Synod Support – 2 full-time staff + half-share support (shared with Secretary-General)
- Safeguarding Officer (half-time, plus administrative support – joint arrangement with the Methodist Church)

##### CCU

- General Secretary
- 1 full-time, 1 half-share (with House of Bishops) and 1 half-share (with Lambeth Palace) senior administrative staff
- 3 full-time support staff (who provide part-time assistance to Central Secretariat as required)

##### Research and Statistics

- Head of Research and Statistics
- 4 full-time staff; 1 60% staff member

*The Secretariat budget also includes the costs of:*

- Secretary General + 1 full-time assistant & half-share support

The Central Secretariat provides administrative support for the General Synod and its Houses. This is an exacting function with a substantial need for forward planning for sessions at both an administrative and policy level. The Secretariat also services the Archbishops' Council, the House of Bishops, the Liturgical and Dioceses Commissions, the Appointments Committee and several other *ad hoc* and permanent bodies. It has a co-ordinating role in relation to the work of the Archbishops' Council as a whole and the costs of the Secretary-General and his office are included in the Central Secretariat budget.

The Safeguarding Officer (plus administrative support) is not counted in the staff establishment figures as the Archbishops' Council buys in this service from the Methodist Church.

The Council for Christian Unity advises the General Synod and the Archbishops' Council on unity issues and fosters ecumenical work in the Church nationally.

The Research and Statistics Department provides a central statistics and research resource to the Archbishops' Council and the wider Church.

#### *2010 Budget*

- The budget broadly follows expenditure in previous years.
- There is a reduction of a half of a post (in the House of Bishops secretariat), shared with the Ministry Division.
- Additional costs for the Inauguration of the General Synod will be met (outside the Secretariat budget) from the balance of the restricted fund earmarked for this purpose.



## Ministry

<u>Chair:</u>	The Rt Revd Graham James The Bishop of Norwich
<u>Director:</u>	The Ven. Christopher Lowson
<u>Number of Staff:</u>	22 Full-time and 5 Part-time 3 Honorary staff
<u>Budget 2010:</u>	£1,450,968

### *Functions*

- Vocations, recruitment and selection
- Theological education and training
- Deployment, remuneration and conditions of service for clergy
- Ministry of and among deaf and disabled people
- Reader Ministry
- Crockford Clerical Directory

### *Staffing*

- Director
- Financial and Administrative Secretary
- Deployment, Remuneration and Conditions of Service Secretary
- Senior Selection Secretary and 5 Panel Secretaries (3 fulltime and 2 Part-time) (one of whom also responsible for National vocations work, another also responsible for Training pathways)
- Theological Education and Training Secretary.
- Officer for Ministry of and Among Deaf and Disabled People and an assistant (0.25FTE)
- National Adviser for Continuing Ministerial Development
- Assistant Secretary to DRACS (seconded to Human Resources)
- Crockford manager (0.13FTE) and Compiler and Deputy Compiler
- Training institution and ordinands Grants Officer
- Finance and Statistics Officer
- Executive Officer DRACS
- Deployment Officer
- Registration Officer
- Panel and tasks Supervisor
- 2.7 FTE Panel support and clerical staff

### *Honorary Staff*

- 0.2 FTE Honorary Secretary Central Readers Council
- 0.2 FTE Associated Honorary Secretary Central Readers Council
- 0.5 FTE Honorary National Moderator for Reader Training

There are some 28,500 active and retired clergy, Readers, evangelists, and other licensed ministers in the Church of England today. In addition, there are 1,400 in training for the ordained ministry and 1,200 in Reader training. The Ministry Division is responsible for their recruitment and selection, 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. It also provides the officer support for the ecumenical inspections of theological colleges, courses, and schemes. In terms of prospective candidates for ordination, the Division currently runs 52 conferences a year involving over 350 selectors. It also administers the budget of £12 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 part of the work. The Division also has lead responsibility for recommending policy on stipends, pensions, and parochial fees.

Finally, the Division has responsibility for supporting the work of ministry among deaf and disabled people that includes the brief for wider disability within Church House.

### *2010 Budget*

The division will run 48 Bishops' Advisory Panels in 2010. With 16 candidates per Panel, this gives us the capacity for handling 768 candidates (there were 612 candidates attending Panels in 2008). As in previous years, most of the Panels (32) are being run from April to the beginning of August. In 2011 the cut off date will be changed to 31<sup>st</sup> May. Whilst this will alter when the panels are run it is still intended to run 48 panels in both 2010 and 2011 to ensure that the theological colleges and courses are not adversely affected by the change.

For many years the Division has relied upon the services on an honorary medical adviser. With the increasing need to ensure fitness for ministry and to assess pensionable risk, the decision was taken to employ a specialist occupational health company to carry out the medical assessments. This has added an additional £65,000 to the divisional budget. This additional cost was met in 2009 from trust fund monies but has been included in the main budget for 2010.

## Education Division

<u>Chair</u>	:	The Bishop of Lincoln
<u>Head</u>	:	The Revd Janina Ainsworth
<u>Number of Staff</u>	:	7 Full-time and 1 Part-time Plus 6 staff part-funded by National Society And 2 consultants & 1 intern
<u>Budget 2010 (net)</u>	:	£691,407

### *Functions:*

The Education Division consists of the Chief Education Officer and three teams:-

- Life-Long Learning Team: supporting issues of chaplaincy and values in Further and Higher Education
- Schools Strategy Team: all aspects of church schools; Religious Education and collective worship in all schools; independent schools; church universities & colleges
- Training and Development Team: the Church's work among children and young people, lay discipleship and shared ministry

### *Staffing*

- Chief Education Officer and executive assistant/support services manager
- Lifelong Learning team: comprising Further Education Adviser, Higher Education Adviser and part-time executive assistant, plus one executive assistant shared with the Training and Development team
- Schools Strategy team: comprising Head of School Development, Head of School Improvement, School Support Officer and one executive assistant. In addition, two part-time RE Development Consultants also provide resource within the team.
- Training and Development team: comprising Youth Adviser, Children's Adviser, Lay Discipleship and Shared Ministry Adviser, one executive assistant, plus one executive assistant shared with Lifelong Learning team.

The Division leads on the Church's mission through education enabling it to:

- Grow the Church and its stake in formal and informal educational activities, including increasing the number of Church of England academies and developing chaplaincy provision in all sectors
- Engage with national institutions, working closely with Government and national agencies on behalf of the church and its educational distinctiveness
- Provide professional support and development for diocesan, school and voluntary staff maintaining the highest standards and quality, including leadership training for church schools
- Be informed by research and good practice, collating data and developing a high quality information service

The Board commissioned a review of the Children's and Youth Strategies which reported in April 2009. *Going for Growth* shapes the work of all staff particularly the National Children's Advisor and the National Youth Officer.

The work of the Youth Council will be extended in line with the commitment to hearing young peoples' voices. Professional training of children's and youth officers will be developed through *Equipping* and other existing schemes.

Work on *Discipleship for Today* will continue to be developed.

A revised timetable for the implementation of the HE strategy, *Aiming Higher*, has prioritised the development of a diocesan network supporting HE chaplains and promoting the church's policy. Proposals for the follow up to the report *Faiths in Higher Education Chaplaincy* will be developed and implemented.

Revised priorities for the implementation of *Pushing Further* include promoting the entitlement to spiritual and moral development for all students in FE, including materials and resources, and developing occupational standards for chaplains.

For the schools team the priorities include developing consistency across the academies in relation to Anglican distinctiveness through a national conference, and resourcing regional groups; developing a school improvement strategy; identifying and funding a research programme; supporting and resourcing Diocesan Boards of Education to enable them to manage the complex demands of the current situation. Negotiating with Ministers and officials remains a crucial activity of the team, representing the Church on all matters to do with schools.

The two part time RE consultants will develop a range of resource materials for dioceses and schools to enhance the quality of Religious Education in Church of England Schools. Phase 2 of the *christianvalues4schools* website will be delivered, funded from external sources.

The National Society continues to work in close partnership with the Education Division, supports the work of diocesan education teams, and trains inspectors for the Statutory Inspection of Anglican Schools (SIAS).

#### *2010 Budget*

- The long-planned joint appointments with the National Society of two RE Development Consultants, to enhance the work of the School Strategy team, have been made. No decision has been made yet on the support staff requirements for these consultants who will work mainly away from Church House.
- No further new appointments or retirements are expected in 2009 or 2010.
- The challenge for the Division is to balance the demands of developing strategy and policy with effective relations with the diocesan and other networks. The two feed each other but both entail time in discussion and engagement out of the office. The executive assistants provide effective partnership in the work and enable officers to spend time in consultations and network engagements.
- An intern was appointed part-time in the Training and Development team in September 2008 in partnership with Chichester Diocese to work with the Church of England Youth Council. This enables the Church of England Youth Council to increase the work that it carries out and it is planned that this arrangement will continue, albeit with a new intern from September 2009, throughout 2010.
- The Chief Education Officer, Head of School Development, Head of School Improvement, National School Support officer, and two support staff are all part-funded by the National Society.
- The Methodist Church funds half the costs of the Churches' FE Adviser post and half the associated support staff costs. The two RE consultants are principally funded by grants from two charities and by the National Society.

## Mission and Public Affairs

<u>Chair</u>	:	Dr Philip Giddings
<u>Director</u>	:	Rev Dr Malcolm Brown
<u>Number of Staff posts</u>	:	19 Full-time 2 Half-time 1 part-time
<u>Budget 2010 (net)</u>	:	£1,272,161

Under the oversight of the MPA Council, the staff of the division are responsible for the national dimension of the Archbishops' Council's work to 'co-ordinate, promote, aid and further the work and mission of the Church of England in the following areas:

- The Church's engagement with social, political, environmental issues and work for justice and peace at local, national and international levels;
- Mission and evangelism; the Church of England's responsibilities for world mission and development, inter faith relations, and theological and missiological reflection on them;
- The Church's mission and ministry (in liaison with Ministry Division) in urban and rural areas;
- The Church's responsibility to confront the reality of racism in its own life and in society
- The support of minority ethnic Christians in the Church of England, and their contribution to its life and witness;
- The work of Hospital Chaplaincy and the Church's relation to the Department of Health, the National Health Service and Trusts, and the provision of professional training and Continuing Professional Education for Chaplains.

Their responsibilities are summed up as:

- ❖ **Representing the national church to national institutions**
- ❖ **Adding value to the work of dioceses and parishes through carefully targeted mission initiatives**
- ❖ **Supporting areas of church life and membership which are in danger of marginalisation**

These core functions are addressed through:

- advising the Archbishops' Council, the General Synod and the House of Bishops on matters within the Council's remit;
- working with dioceses, diocesan networks and the church's voluntary societies, in England and internationally, on topics within the Council's remit;
- relating to and co-operating with relevant bodies within the churches of Britain and Ireland and ecumenical instruments of CTBI and CTE and their forums and Commissions;
- working with others in the NCIs, the dioceses and across the Anglican Communion to develop the Church of England's strategy for World Mission.
- relating to Government departments and voluntary bodies relevant to the Council's work.
- developing the Church's profile within Parliament – both the Lords and the Commons – and resourcing the Lords Spiritual in their Parliamentary roles.
- helping to grow the church through innovative national initiatives in mission and evangelism.

## *Staffing*

The staff of the division are located on three sites - Church House, Lambeth Palace and the Arthur Rank Centre in Stoneleigh:

- **The Director**
- **Community and Public Affairs** comprising the Adviser for Minority Ethnic Anglican Concerns; Adviser for Marriage and Family Policy; Community and Urban Affairs Adviser; Medical Ethics and Health/Social Policy Adviser; International Relations Adviser; Home Affairs Adviser.
- **Mission** comprising National Mission and Evangelism Adviser; World Mission Adviser (part-funded by mission agencies); National Adviser for Mission Theology, New Religious Movements and Alternative Spiritualities; National Inter Faith Relations Adviser (joint with Lambeth Palace); National Rural Officer.
- **Hospital Chaplaincy Team** consisting of the Chief Executive, and the Training and Development Officer and working in partnership with the Medical Ethics and Health/Social Policy Adviser.
- **The Parliamentary Unit for the NCIs**, comprising the Parliamentary Secretary (part-funded by the Church Commissioners) and the Deputy Parliamentary Secretary (wholly funded by the Church Commissioners).
- **Administrative and support staff**

Increasingly, staff work across these categories and the Division functions as one team focused on the church's mission needs. The Parliamentary Unit is located and line-managed within MPA but serves all the NCIs.

## *2010 Budget*

- The 2010 budget provides for funding of the full division.
- The 2010 budget is organized on a Cost Centre basis. These being: Shaping Society; Mission (UK); Mission (International); CMEAC and HCC. Within each cost centre, internal orders are used to tie income and expenditure very closely to work done.
- The staff budget for 2010 includes the costs of the Parliamentary Unit which serves all the NCIs and is funded jointly by MPA and the Church Commissioners.
- For 2010, MPA's work on Environmental Issues has been reconfigured as a project with clear, time-limited, objectives and funded externally from legacy income.
- Non-staff costs include the expenses of maintaining the MPA Council, CMEAC, the Hospital Chaplaincy Council and other committees and advisory groups. These costs assume a similar level of committee activity in 2010 as in previous years.
- The budget for MPA projects includes support for new and ongoing work in response to General Synod motions.

## Cathedral and Church Buildings Division

<u>Chair:</u>	The Bishop of London
<u>Director:</u>	Janet Gough
<u>Number of Staff:</u>	15 full time (2 funded by the Church Commissioners)
<u>Budget 2010:</u>	834,650

### *Functions:*

*“To encourage the maintenance and development of the inherited fabric of Church buildings for worship and service for the community”*

- Co-ordinate national Church policy in respect of its church buildings
- Lead Church campaigning on funding and support of church buildings
- Lobby Government Departments and other bodies on issues affecting our built heritage
- Promote understanding of the contribution which church buildings and cathedrals make to the wider community
- Advise on the use, care, planning or design of places of worship, including environmental issues relating to church buildings
- Co-ordinate the work of Diocesan Advisory Committees (DACs)
- Provide 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, DACs and parishes
- Advise the Church Commissioners on plans involving structural and functional alterations, demolition, or vesting in the Churches Conservation Trust of churches no longer required for regular worship (from June 2008)
- Operate regulatory powers under the Care of Cathedrals Measure
- Give advice and guidance on plans and problems affecting the fabric, furnishings, fittings and precincts of cathedrals
- Administer funds for the conservation of church fabric, furnishings and art

### *Staffing:*

- Head, Deputy Head, Policy Officer and 2 support staff
- Cathedrals section comprising 2 staff
- Casework & Law section comprising 3 staff
- Closed Churches section comprising 2 staff (funded by the Church Commissioners)
- Conservation section comprising 3 staff

The Church has an inheritance of over 16,000 churches and 42 cathedrals, 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. It also retains an interest in around 1,700 closed churches, 341 of which are vested in the Churches Conservation Trust.

The Division has major responsibilities in relation to Government and its agencies under the arrangements enabling the ecclesiastical exemption from listed buildings and scheduled monument controls. Through two statutory member bodies supported by the staff of the Division (the Cathedrals Fabric Commission for England and the Church Buildings Council, which also has a Statutory Advisory Committee dealing with Closed Churches matters) it deals with casework, guidance and advice on every aspect of the care, use and development of cathedrals and churches, and proposals affecting closed and closing churches. The Division is also the lead body with Government and secular organisations for church buildings (in use and closed) and cathedrals.

The Division works as a campaigning body in strategic partnerships with other NCI organisations, and Government and non-Governmental bodies, from both the heritage sector and wider community and voluntary sectors, to win new resources for the Church and to mitigate the impact of regulatory change. In March 2009 the Church of England worked with five government departments, including the Treasury, the Department of Communities and Local Government and Defra to launch *Churches and Faith Buildings: Realising the Potential*. The paper aims to address any 'squeamishness' that funding providers may have in allocating public funds to churches. There is no new money but the document affirms the position of churches as part of the Third Sector, identifies some sources of funding for the physical alteration of churches to ensure they are fit for community use and sets out to build the capacity of churches to engage strategically, at local and regional levels, around the delivery of local priorities and to get access to funding allocations.

Other campaigning work includes the high profile campaign on church water charges and airport developments. Meanwhile the Division is working with English Heritage, the Ecclesiological Society and others on a range of guidelines from church pews to ruins.

The Division's major long-term strategic initiative was set out in the 2004 paper *Building Faith in our Future*. In addition to lobbying for new and fairer access to existing resources, work is ongoing to gather data (e.g. effectiveness of community facilities developed within 60 rural churches) to spread examples of good church developments and, in particular, on initiatives to help build capacity at chapter, diocesan and parish level to get best use of cathedral and church buildings and support local management of change in church buildings.

Following endorsement of major research to support *Shrinking the Footprint* (the Church's national environment campaign), the Division is organising a series of events to bring dioceses and chapters up to date and to discuss how best to address the Church's institutional footprint (relating to its official buildings and operations). The Division is also participating in the development of the Sacred Britain Church Tourism Strategy, which Synod endorsed in July 2008. Complementing the regulatory and advisory work of the Cathedrals Fabric Commission, the Division continues to support the work of chapters and the Association of English Cathedrals on related issues such as cathedral environs and the world of funding.

Of particular value to parishes, the Conservation team, with its six expert Conservation sub-committees made up of experts of national and international standing, 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. The grants are funded by donations from charitable trusts and 2009 has seen the publication of a fully illustrated annual review of conservation activities (funded by sponsorship), which is being used as a tool to increase the conservation grants available for distribution.

As part of its central advocacy role on behalf of churches and cathedrals, the Division is developing a communications strategy to raise awareness of the extensive development activity within cathedrals and churches, in part to counter an excessively negative press focusing on church closures and, as in the current competition run jointly with Country Life to find the 'unsung heroes of the rural church', celebrating the work of volunteers and the activities they undertake to keep churches alive and thriving at the hearts of communities.

The Division also has a publicly available library and archive on the art and history of our churches. It maintains the Churchcare and Churchart websites.



## Church House Publishing

<u>Head:</u>	Thomas Allain-Chapman
<u>Number of Staff:</u>	6 full-time 6 part-time
<u>Budget 2010:</u>	Sales: £982,560
	Net deficit: £76,539

### *Functions*

- Official publisher to the Archbishops' Council and General Synod
- Publishing Common Worship texts and resources to complement these and to support the Liturgical Commission's liturgical formation initiative
- Publishing Archbishops' Council official publications (e.g. Crockford and the Church of England Yearbook)
- Official General Synod publications, e.g. major reports and commissions, Report of Proceedings and Legal publications (e.g. Canons)
- Publishing material to further the mission and enhance the reputation of the Church of England

### *Staffing*

- Head of Publishing
- Finance Officer (part-time)
- New Media Manager
- Production Manager (part-time)
- Product Development Manager plus Commissioning Editor (part-time)
- Editorial Manager (part-time) plus Project Editor
- Marketing Manager (part-time) plus Marketing Assistant
- Sales Manager (part-time) plus Sales Executive

Church House Publishing (CHP) supports the mission of the Archbishops' Council through publications, both in traditional and new media. In 2008, CHP sold over a quarter of a million products across over 500 different product lines. 37 new titles were produced, and 29 existing titles were reprinted or reissued.

Church House Publishing is a trading name of the Archbishops' Council and trading accounts are prepared and reviewed regularly by staff.

### *2010 Budget [prepared on a business as usual basis]*

- CHP budgeted sales for 2010 are £982,560 (£88,000 up on 2008, the previous non-Crockford year).
- After years of gradual decline, special publishing and promotional activity is planned to generate a modest rise in Liturgy revenues, with two new volumes and at least one major re-package planned.
- Further developments in new media are also planned – including an online version of the Church of England Yearbook, and an increasing portfolio of digital downloads.

## Communications Office

<u>Director</u>	:	Peter Crumpler
<u>Number of Staff</u>	:	10 Full-time (AC share: 7.3FTE)
<u>Budget 2010</u>	:	£676,513
<u>NCIs costs</u>	:	AC share - £461,490 CC share - £169,532 PB share - £45,492

### *Functions*

- Media relations (press, broadcast and web-based)
- Co-ordination of external communications work for the National Church Institutions
- Internal communications within the NCIs, and wider Church
- Communications training and development
- Support and co-ordination of diocesan communicators' network
- Development of web-based communications for the NCIs
- Monitors and contributes to the development of Media Policy
- Handles public enquiries

### *Staffing*

- Director of Communications
- 3 press officers and 1 assistant press officer (all also responding to public enquiries)
- 2 staff involved in communications projects and training support
- 1 internal communications/public affairs and diocesan liaison
- 1 e-communications officer
- 1 administrative/secretarial support staff for department

The Communications Office continues to develop 'Mission-shaped Communications', based on making the Office's operations mission-orientated, professional, proactive and integrated.

The Communications Office is responsible for external and internal communications and promotion for the Archbishops' Council, General Synod and Church Commissioners, and advises other central Church bodies, including the Pensions Board. It operates 24 hours a day, 365 days a year and co-ordinates its activities with communications staff at Lambeth and Bishopthorpe and in the dioceses.

For the Archbishops' Council, the Office communicates the Council's vision and work to the media, builds communications into the planning and execution of all the Council's activities and empowers and encourages staff at all levels to communicate the Church's messages well. The Office issues a daily briefing each morning to senior clergy and office-holders in the Church, and provides a daily press cuttings service. It also produces a weekly broadcasting summary, and *All Staff*, a weekly news bulletin for staff of the NCIs, as well as overseeing the NCIs' intranet.

Initiatives have included proactive communications projects linked to the Church year, life events and Church of England people. These include the use of social networking websites to encourage

engagement with Lent and Christmas, national communications co-ordination for Back to Church Sunday, and working with dioceses on a campaign to raise questions about the way Halloween is marked in the country.

*In Review*, a twice-yearly report from the NCIs, is published in the church press and on the web, and a monthly Communications Update is distributed widely across the Church and now made available to all via free website registration. Around 4,000 people had subscribed by February 2009.

The Communications Training programme has developed three strands: catalogue-based courses held at Church House; custom-designed courses held around the country, including at York Synod; and media training provided for bishops and other key Church spokespeople. In addition, the studio/training suite is available for hire to external organisations.

*2010 budget: particular factors*

1. **Public Affairs:** continuing to promote the Church's position on key social and moral issues, by working with Mission & Public Affairs, Education, Cathedrals & Church Buildings and other departments. This includes the timely publication of submissions made to government and the development of communication strategies for each area of work.
2. **Media Communications:** Provide a professional, proactive media service to meet the needs of the NCIs, and to provide an efficient, informed service for the media. Monitor media of interest to the Church and provide communications training.
3. **Communications Technology:** Further developing the Church of England website and other e-communications methods to facilitate improved communications with the wider Church, and people seeking information about the Church and the Christian faith. Examining the potential of social networking and podcasts, and of web-based video footage.
4. **Communicating Synod:** Examining ways that General Synod can be communicated as widely as possible, including offering training to Synod members and the wider use of new technology. Training courses will be run during the summer York Synod. A recent development has been the live 'webcasting' of Synod audio via Premier Christian Radio, and liaising with BBC Parliament for debates to be screened on TV.
5. **Diocesan Liaison:** Further developing the network of diocesan communicators, resourcing the continuing professional development programme and supporting them in their work. Involvement in Communications projects is a key part of this.
6. **Media Policy:** Supporting the role of the Bishop of Manchester on the Lords Communications Committee; resourcing the 'Religion in Media' group; liaising with the ecumenical Churches' Media Council; and engaging with appropriate consultations *eg* from Ofcom or the DCMS.

Working across several of the objectives, Communications will continue to take forward development work for festivals and life events.

## Human Resources

<u>Director</u>	:	Su Morgan
<u>Number of Staff</u>	:	8 Full-time 2 Part-time (AC share: 3.4FTE)
<u>Budget 2010</u>	:	£675,768
<u>NCIs costs</u>	:	AC share - £284,743 CC share - £284,543 PB share - £95,408 Others - £11,075

### *Functions*

- Creating a high performance working environment where staff have role clarity and focus on delivery, learning and development is actively pursued, and career pathways are well defined within the limits of small organizations
- Establishing a ‘partnership’ culture between employers, staff and trade unions through effective consultation and negotiation mechanisms
- Promoting joint employer initiatives and improved cultural alignment between the NCIs
- Developing a diverse workforce and a fair and just workplace
- Pursuing the optimum deployment of staff through strategic resourcing, reward and HR information systems
- Developing a safe and healthy working environment
- Enabling, with others, bishops and dioceses to better support and develop their parish clergy.

### *Staffing*

- 1 Director of HR
- 3 HR Managers (2.6 wte)
- 3 HR Advisers (one on secondment from Ministry Division for life of EOHToS (end 2010) project and one funded by CCs for services to diocesan bishops)
- 1 Recruitment Adviser
- 1 HR and IT Information Adviser
- 1 Occupational, Safety, Health and Welfare Adviser (0.7wte)

The Human Resources (HR) department aims to support the National Church Institutions (NCIs) and diocesan bishops achieve their mission and business objectives by delivering efficient and cost effective HR services, including support for recruitment, in relation to the 472 staff employed by the NCIs and the 170 staff of diocesan bishops. It also contracts with the Corporation of Church House for services in relation to their 40 staff. Additionally health, safety and welfare advice and services are provided to the 200 staff employed directly by the Church Commissioners on their estates and the Pensions Board in their residential schemes. It works with the Ministry Division, the Legal Office and dioceses to design, develop and implement the Church’s strategy to give ecclesiastical office holders improved terms and conditions of service.

## Legal Office

<u>Director</u>	:	Stephen Slack
<u>Number of Staff</u>	:	14 Full-time and 1 Part-time posts (AC share: 8.1FTE)
<u>Budget 2010</u>	:	£1,186,681
<u>NCIs costs</u>	:	AC share - £669,272 CC share - £499,771 PB share - £17,638

### *Functions*

- Legal advice and support to the General Synod and its Houses and committees / commissions
- General Synod's legislative programme
- Advice to the Archbishops' Council, the Church Commissioners and the Church of England Pensions Board, together in each case with their committees, on legal issues arising in their work
- Informal legal advice and support to dioceses and their registrars
- Conveyancing and property law (Terrier and voluntary registration projects and ecclesiastical property and retained commercial property work)
- Clergy discipline

### *Staffing*

- Head of Legal Office / Chief Legal Adviser to Archbishops' Council and General Synod / Official Solicitor to the Church Commissioners
- Deputy Official Solicitor to Church Commissioners
- Deputy Legal Adviser to the Archbishops' Council and the General Synod
- Seven solicitors / barristers (including the Designated Officer under the Clergy Discipline Measure)
- 4 support staff
- Standing Counsel to the General Synod

The Legal Office will continue to provide legal services and support to all the national Church institutions. Property work and advice will largely be related to ecclesiastical property, work on the Church Commissioners' Terrier and voluntary registration project and some retained property work. In terms of volume of business, use will be split broadly equally between the Church Commissioners and the Archbishops' Council.

The Legal Office is responsible for the General Synod's legislation and gives legal advice (increasingly on the impact of Government legislation) to the General Synod and its Houses (especially the House of Bishops), the Archbishops' Council, the Church Commissioners and the Pensions Board. It also provides advice and a secretariat for the Synod's Clergy Discipline, Fees Advisory, Legal Advisory and Legal Aid Commissions, to its Standing Orders and Legislative Committees and to the Ecclesiastical Rules Committee.

## *2010 Budget*

2010 will see a requirement to provide legal services, and to service Steering and Revision Committees where necessary, for a number of pieces of Church legislation, notably those relating to women bishops. A range of advice will be required, including on discrimination law issues arising out of the Equality Bill.

It is proposed to recruit an additional legally qualified member of staff with employment law expertise to (a) provide legal advice to the NCIs on employment law issues and (b) support the giving of HR advice to dioceses in connection with the implementation of 'Common Tenure'.

## Finance & Resources

<u>Director</u>	:	Ian Theodoreson
<u>Number of Staff</u>	:	38 Full-time 4 Part-time (AC share: 14.3FTE)
<u>Budget 2010</u>	:	£2,463,447
<u>NCIs costs</u>	:	AC share - £832,006 : CC share - £1,133,225 : PB share - £498,216

### *Functions*

- The newly formed department of Finance & Resources, provides four levels of support to the NCIs and the wider church generally:
- At the core of the service the department is responsible for maintaining the books of account, paying the bills, securing the assets, and ensuring the bodies are legally compliant in terms of statutory reporting, and tax and charity law.
- On top of that the department produces financial information to help inform management decisions, including monthly management accounts (from Autumn 2009), budgeting, and the production of financial policy advice and analysis
- A third, and developing area of activity relates to the work of the Resourcing and Strategy unit which is engaged in advising on resource allocation, evaluating effectiveness of spending plans and measuring impact. This will become increasingly significant for the NCIs in general as, for instance, the church seeks to respond to Charity Commission demands for an increased focus on impact measurement.
- The fourth area of activity relates to the work of the National Stewardship and Resources Officer – supporting parishes and dioceses in develop mechanisms for effective giving and, increasingly, looking at better ways to manage expenditure too through common working.

### *Staffing*

- Chief Finance Officer
- Head of Financial Policy and Planning
- Acting Director of Financial Accounting
- National Stewardship and Resources Officer
- 3 Financial Accountants
- 2 Management Accountants
- Senior Budget Manager
- Business Process Manager
- VAT Officer
- Property Tax Manager
- Cash & Treasury Manager (plus 2 assistants)
- Secretary to Church & Community Fund (plus 1 assistant)
- Payroll Manager (plus 4 Payroll Officers)
- 2 Financial Planners
- Asset Management Support Officer
- General Ledger Team Leader (plus 2 assistants)
- Accounts Payable Team Leader (plus 4 assistants)
- Accounts Receivable Team Leader (plus 2 assistants)
- 3 secretarial/support staff

*Priorities going forward:*

- SAP was implemented across the three NCIs with effect from 1 January 2009 and the immediate focus is to bed the system in and start the process of fine tuning it and driving benefits in terms of improved reporting, timely management reporting etc
- Part of that process will include a review of the structure of the finance department to ensure it is properly resourced to provide the services required by its 'clients'. The budget for 2010 assumes no requirement to increase staff complement, but neither does it anticipate any specific savings arising from efficiencies derived from operating a single, integrated system. This will be examined in greater detail during 2009.
- The department is leading the review of the Church Commissioners' spending plans for the next triennium by hosting a series of conferences over the summer to which all dioceses have been invited to participate. This will also link into the assessment by the actuaries as to the level of non-pension funding the Church Commissioners' resources can support over the period 2011-13, the results of which will become available in early 2010.
- The Giving for Life stewardship initiative will be launched at Synod in July 2009 and its subsequent roll out will be a significant piece of work into the autumn.



## IT & Office Services

<u>Director</u>	:	Declan Kelly
<u>Number of Staff</u>	:	22 Full-time (AC share: 8.5FTE)
<u>Budget 2010</u>	:	£1,591,130
<u>NCIs costs</u>	:	AC share - £559,179
	:	CC share - £734,425
	:	PB share - £329,726

### *Functions*

- Systems development
- Programming
- Software maintenance (including SAP)
- Technical support
- IT consultancy services (including to dioceses)
- Telephone System Management
- Insurance procurement
- Xerox & Printing
- Stewarding service

### *Staffing*

- Head of IT
- 7 Technical & IT Support staff
- 4 Analyst Programmers & Systems Analysts
- IT Trainer & IT Financial Support
- Computer Control
- Office Services Manager & Administrator
- 3 Reprographics Staff
- 2 Meeting room stewards

The department provides a wide range of IT & office services to the National Church Institutions. This includes technical support on hardware & software issues and assistance with the development and/or implementation of infrastructure. Although many in-house legacy systems have been replaced in recent years by third-party packages a number, including Clergy Pay and Crockford, still remain and are maintained by the team. The team also provides support for the recently introduced SAP system, particularly with regard to the NCIs Real Estate and Loans Management reporting requirements.

The department has developed and continues to maintain an intranet for both NCI and diocesan (via a separate site) use.

### *2010 budget:*

- The budget reflects the ongoing SAP training (and offsite maintenance) requirements, the retirement of one member of the Systems Analyst team, and the recruitment (following retirement of existing postholder) of a new Head of IT.
- It is anticipated that significant progress will be made on replacing the Clergy Pay system during 2009 with completion scheduled for 2010.

## Records

<u>Director</u>	:	Declan Kelly
<u>Number of Staff</u>	:	9 Full-time (2 part-funded) (AC Share: 2.6FTE)
<u>Budget 2010</u>	:	£335,478
<u>NCIs costs</u>	:	AC share - £102,393 CC share - £210,687 PB share - £22,398

### *Functions*

- Records management services for the administrative records of the NCIs - low-cost off-site storage, efficient retrieval and controlled disposal
- Advice to departments on paper and electronic records management
- Advice to the wider Church on record keeping
- Cataloguing of CERC archival holdings into NCIs online archival catalogue
- Title research for glebe property on behalf 43 Anglican dioceses in England
- Public access to historical archives through the reading room at Lambeth Palace Library
- Answering public enquiries concerning the archives of the NCIs

### *Staffing*

- Director (60% funded by Lambeth Palace Library)
- Operations Manager
- 3 Archive/Records Management staff
- 3 Record Centre Assistants
- IT Systems Administrator (50% funded by Lambeth Palace Library)

The Record Centre provides a records 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 most of its semi-current material at the Record Centre, located in Bermondsey, to maximise use of lower-cost storage.

Priorities for 2010 include continuing to produce retention schedules for NCI departments; further advice for the wider Church on record keeping following the production of guides to parish, diocesan and, in 2009, Episcopal records; and continuing the cataloguing of record centre archival records onto the pan-NCIs online archival catalogue.

### **2010 Budget**

No major changes to expenditure are proposed for 2010. Staffing levels of the Record Centre will remain the same as for 2009 at 9 full-time staff (2 of whom are part-funded by Lambeth Palace Library).

## Internal Audit

<u>Head</u>	:	Kim Parry
<u>Number of Staff</u>	:	7 Full-time (AC Share: 1.2FTE)
<u>Budget 2010</u>	:	£410,370
<u>NCIs costs</u>	:	AC share - £73,640 CC share - £215,618 PB share - £121,112

### *Functions*

- Independent, objective assurance on governance, risk management and internal control
- Consultancy, advocacy and advice to management
- Secretariat to the Audit Committee

### *Staffing*

- Head of Internal Audit
- Deputy Head of Internal Audit
- Senior Internal Auditor
- 3 Internal Auditors
- Audit Assistant & Team Administrator

Internal auditing is provided by the Church of England Pensions Board as a common service for the National Institutions of the Church of England. Its principle customers are the Church Commissioners, the Church of England Pensions Board, and the Archbishops' Council. The Internal Auditing Department's primary responsibility is to add value by providing customers' management and trustees with independent and objective assurances about the identification and mitigation of business risks and by identifying operational and governance improvements.

The department applies a risk based approach focussing on whether the organisation's risk has been managed effectively and that the organisation's goals and objectives will be achieved efficiently and economically. Advice on governance, risk management and internal control is available to managers and trustees. The department seeks opportunities to increase the efficiency of its own operations by improving its working practices and utilising specialist ICT applications.

### **2010 budget**

- The budget assumes a level of service set out in strategic audit plans agreed with the principle customers.

## Accommodation

<u>Budget 2010:</u>		£3,152,969
<u>Share of costs:</u>	AC share:	£1,304,684
	CC share:	£1,228,356
	PB share:	£428,437
	Other tenants:	£191,793

The Archbishops' Council pays rent and service charge to The Corporation of the Church House 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. In accordance with the lease terms, the rent payable to the Corporation will increase by 5% in 2010. In addition, the Council shares (with other bodies) the costs of the Record Centre building at Bermondsey.

## Depreciation

<u>Budget 2010:</u>	£173,341
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The final annual charge for the 1999 office relocation exercise will take place during 2009, hence the 2010 depreciation budget only includes the annual charge for the 2007 office relocation (£32,000 p.a. depreciated over a 10-year period) and the Archbishops' Council's share of the pan-NCI SAP project (£141,000 p.a. depreciated over a 5-year period).

## Grants (Vote 3)

<u>Budget 2010:</u>	£1,535,450
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1. This budget encompasses contributions to Anglican Communion and Ecumenical activities and other miscellaneous grants.
2. 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).
3. 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).
4. A substantial scaling back in the activities of CTBI (for which the Council and other churches had been pressing) has provided scope for a reduction in the Council's grant. In total, the 2010 budget for the home ecumenical instruments represents a 36.6% (£150,000) reduction on 2009 equivalent.
5. Back in 2004, the Archbishops' Council decided that its contributions to the WCC should be frozen for the foreseeable future for a number of reasons. The 2010 budget maintains this freeze at £108,000. The Council's contribution towards the CEC has also been frozen at, its 2009 level of, £84,000.
6. It is proposed that there should be an underlying increase of 4.0% over the 2009 level for the Inter-Anglican budget.
7. National support, through Vote 3, is provided towards the administrative costs of the Church Urban Fund (CUF). The Council's 2010 budget contribution has been held flat in cash terms at £203,000.
8. A significant factor behind increases in Vote 3 in recent years has been the Legal Aid Fund. The Synod is required by Measure to maintain a Legal Aid Fund, which is held by the Council on its behalf, to meet the cost of ecclesiastical legal aid awarded by the Legal Aid Commission. The relevant legislation was reviewed thoroughly in the 1990s, and now applies only to legal costs of defendants in clergy discipline cases and to a very few other comparable ecclesiastical proceedings. In deciding whether, and if so how far, to award financial assistance with such costs out of the Fund, the Legal Aid Commission (whose members are appointed by the Appointments Committee) must consider the means of the individual concerned, whether he or she has reasonable grounds for contesting the proceedings, and all the circumstances of the case, but the Commission cannot withhold legal aid on the grounds that there are insufficient funds within the Fund.

9. The 2010 budget for legal costs met via Vote 3 (which also includes the costs of tribunals) has been held flat, in cash terms, at £400,000.
10. The overall effect of the above changes is for a total Vote 3 budget for 2010 showing a 8.0% decrease against 2009.
11. The detailed analysis is as follows:-

	Actual 2008 £	Budget 2009 £	Budget 2010 £
<b>Anglican Communion Activities</b>			
Inter Anglican Budget	405,000	421,200	438,050
	<u>405,000</u>	<u>421,200</u>	<u>438,050</u>
<b>Ecumenical Activities</b>			
Home Ecumenical Instruments	410,000	410,000	260,000
World Council of Churches	108,000	108,000	108,000
Conference of European Churches	81,200	84,000	84,000
Expenses of representatives	7,747	20,000	20,400
	<u>606,947</u>	<u>622,000</u>	<u>472,400</u>
<b>Miscellaneous</b>			
Church Urban Fund	197,000	203,000	203,000
Legal Costs (Incl Legal Aid Fund)	382,525	400,000	400,000
Minor Grant Schemes	4,728	22,000	22,000
	<u>584,253</u>	<u>625,000</u>	<u>625,000</u>
<b>TOTAL</b>	<u><u>1,596,200</u></u>	<u><u>1,668,200</u></u>	<u><u>1,535,450</u></u>

## Mission Agencies

### Clergy Pension Contributions (Vote 4)

<u>Budget 2010:</u>	£830,625
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- 1) Vote 4 provides for the pension contributions in respect of clergy who are employed by the mission agencies. It represents the only direct financial support that the national Church gives to the mission agencies.
- 2) Under an agreement ratified by General Synod in July 2004, the maximum amount made available to the mission agencies is capped. The amount payable is now the lesser of (a) the 2004 Vote 4 budgeted expenditure (£722,750) increasing by RPI in subsequent years and (b) the actual expenditure incurred. In the event of the cap having to be applied, it will be for the mission agencies to agree amongst themselves how the balance of the cost of paying contributions in respect of all the clergy employed is to be met.
- 3) Expenditure on the pension contributions payable under this vote in 2008 was £749,000 against a budget of £800,000 and a forecast (as contained within the 2009 budget) of £780,000. This was due to a further decline in the number of clergy employed by the mission agencies. The forecast for 2009 is now £780,000, below the agreed budget of £800,000 due to this continuing decline. Following its interim review of the Funded Pensions Scheme, the Pensions Board has announced an interim increase in the contribution rate from its current 39.7% to 45% with effect from 1 January 2010. Allowing for a forecast continuation of the decline in numbers by 3%, together with the increased contribution rate, the projected expenditure for 2010 would be £866,564. This exceeds the maximum amount under the capping (2004 budget plus RPI) by £35,939, thus this additional amount, if realised, would have to be borne by the mission agencies.

<b>SOCIETY</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009 (Q1)</b>
Crosslinks	15	18	18.5	21	23	26
CMS	30	19	20	19	15	14
CPAS	10	10	9.5	9	9	6
Community of St Mary	1	0	0	0	0	0
Jerusalem & Middle East CA	0	0	0	0	0	0
Melanesian Mission Society	1	1	0.5	0	0	0
Mission to Seafarers	11	10	10.5	14	14	15
South American Mission Society	16	15	14	12	13	12
USPG	22	19	17	14	12	10
Church Army	7	4	5	5	6	6
Churches Ministry Among Jews	2	2	1	0	0	0
SOMA	2	2	1	2	1	1
Papua New Guinea Church	2	1	1	0	0	0
Inter-Continental Church Society	9	5	5	6	6	6
<b>TOTALS</b>	<b>128</b>	<b>106</b>	<b>103</b>	<b>102</b>	<b>99</b>	<b>96</b>

## CHARM (Vote 5)

<u>Budget 2010:</u>	£3,252,900
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1. The Church's Housing Assistance for the Retired Ministry (CHARM) scheme, in its current format, was introduced in 1983 and was established to provide housing for clergy retiring from the stipendiary ministry. The scheme is administered by the Church of England Pensions Board largely using capital provided by the Church Commissioners.
2. With effect from the 2005 budget, costs associated with the CHARM scheme were met from diocesan apportionment, rather than by the Church Commissioners, thus releasing extra parish ministry support. These costs relate to the subsidy that is provided to limit to 30% of a clergy pensioner's income the rent for a CHARM property (2010 budget: £2.3 million) and the Pensions Board's costs in administering the scheme (2010 budget: £1.0 million).
3. Clergy seeking to be housed under the scheme may apply to the Board, who will assess the individual's eligibility. Applicants with some capital resources are granted access to the shared ownership option of the scheme (which replaced the mortgage arm of the scheme in April 2008). The Pensions Board purchase properties for up to £200,000 (£225,000 for properties in the South East) in value, or use an existing vacant property for applicants with insufficient capital who enter the rental option. The beneficiary is granted a licence to occupy the property.
4. The Church Commissioners provide loan finance on a 'value linked basis', with interest rates starting at 4% but rising annually broadly in line with the rate of inflation. The sum repayable fluctuates according to the value of the property purchased. Additionally, any capitalised improvements are treated as further advances against the properties and attract interest on the same basis as new loans.
5. The demand for assistance under the CHARM scheme has been reducing and the number of properties in management has steadily decreased. At the end of 2008 the total properties in management was 2686 (mortgage 1370, rented 1316) compared with 2846 (mortgage 1482, rented 1364) as at the end of 2004, at which stage Vote 5 was brought into the Council's budget. The Board's charitable fund also owns 475 properties on which there are no financing charges, thus reducing the level of the subsidy by about 10%.
6. This budget has been prepared giving due consideration to the various factors that may impact on the subsidy required to operate the scheme and has taken into account the steps which the Board has already authorised to control the costs of the scheme.
  - a. The number of properties in management is forecast to reduce over the projection period, following the planned reduction in void properties. It is, however, difficult to gauge how the economic climate may change over the next five years and the consequent effect this may have on future demand for rented properties. It is a reasonable assumption, though, that the current reduction trend may be expected to continue for the foreseeable future.
  - b. The arrangements for providing capital for new loans will be reviewed in 2010. For the purposes of this budget it has been assumed that the charge for any new facility will be on similar terms.



6. Due to the relatively high level of Vote 2 (unrestricted) reserves as at the end of the 2007 financial year the 2009 budget was constructed on the basis of use of £150,000 from these unrestricted reserves. This resulted in a Vote 5 apportionment increase of 4.8% rather than the 10.2% increase that would have been necessary had diocesan contributions matched the Vote 5 expenditure budget. Current forecasts provided by the Board suggest that expenditure will exceed diocesan contributions by some £125,000 during 2009 – i.e. £25,000 below budget.
7. The 2010 budget projects an increase in the Vote 5 apportionment of 10.3%. The increase in subsidy is significantly higher than the increase in expenditure (which is budgeted to increase by 5.0%) due to the fact the 2009 apportionment was held at a lower level due to the use of unrestricted reserves referred to above. Beyond 2010 the forecast is for increases in expenditure of around 4.9% p.a. This reflects above-inflation increases in financing charges which feed directly through into higher subsidy levels (given the cap on the proportion of rent out of total pensioners' income, which can have a particular impact on new, higher value loans). Work continues with regard to putting into place more cost efficient conveyancing arrangements and to review property management arrangements with a view to increasing efficiency and reducing costs.

	Actual 2008	Budget 2009	Forecast 2009	Budget 2010	Forecast 2011	Forecast 2012	Forecast 2013
Properties in management	1,220	1,185	1,200	1,190	1,180	1,175	1,170
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>							
A Rent	4,722	4,763	4,854	4,958	5,063	5,193	5,326
<b>Expenditure</b>							
<b>Controlled by CCs:</b>							
B Interest on Loans - payable to Church Commissioners	3,421	3,296	3,525	3,670	3,822	3,996	4,178
<b>Controlled by CEPB:</b>							
C Building repairs & maintenance (net of capitalised improvements)	2,819	2,631	2,828	2,902	2,964	3,040	3,118
D Other expenses	609	492	643	657	671	688	706
Total CEPB Expenditure	3,428	3,123	3,471	3,559	3,635	3,728	3,824
Total expenditure	6,849	6,419	6,996	7,229	7,457	7,724	8,001
Net deficit	2,127	1,656	2,143	2,272	2,393	2,531	2,675
E Administrative expenses	859	1,180	932	981	1,011	1,041	1,072
F Add mortgage scheme costs	-	262	-	-	-	-	-
Total revenue subsidy	2,986	3,099	3,074	3,253	3,404	3,572	3,747

## Notes

- A. The average rent reflects the average income per property. Under the current terms of the scheme the maintenance charge should not exceed 30% of the occupants' gross income. Maintenance contributions are assumed to increase by 3% per annum in line with the Pensions Board's inflationary assumption.
- B. The interest payable to the Church Commissioners on the value-linked loans accounts for around 50% of the expenditure on CHARM. The interest charged by the Church Commissioners increases every year in accordance with inflation. The interest payable however increases by more than the basic rate of inflation each year as new properties purchased in the year will inevitably be at a higher initial cost than the loans redeemed, thus resulting in a higher interest charge; and as building repairs capitalised in the previous year attract interest from the Church Commissioners.
- C. The expenditure on building repairs and maintenance is based on the average cost per property in 2008, increasing by around 3% per annum. The Board has taken steps to hold down this area of expenditure, however it still has to take account of the following:
- the ageing nature of the housing stock means that additional repairs are required to maintain the properties to an acceptable standard.
  - the increasing age of the scheme's beneficiaries increases the requirement for aids and adaptations to the houses to enable the occupants to continue to live there.
  - the restriction of funds available for the purchase of properties determines the type of property that can be bought and often leads to a substantial level of ingoing works.

The reducing number of properties provides a modest offset to the increased costs. Budgeted expenditure in 2010 equates to £2,400 per property based on the projected number of properties in the scheme. However, not every property has expenditure each year and an element of this cost relates to ingoing works on new lettings.

- D. Other expenses include water rates, council tax and insurance. In recent years council tax and water rates have seen increases comfortably in excess of RPI. For forecasting purposes it has been assumed that these 'other expenses' will increase at a rate of 3.0% p.a.
- E. The Administrative expenses charged by the Board represent the relevant share of the Board's total costs, including salaries and other costs. Approximately 65% of the costs budgeted are within the direct control of the Board, the remainder represents the rent at Church House and the Board's share of common services expenditure.
- F. It was agreed by the Pensions Board that no further expenditure on Mortgage scheme costs should be charged via the Vote 5 budget during the early part of 2008, hence no provision has been made.

## 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 and expenditure which may fall to be met before sufficient income is received to finance it. This is both to maintain sufficient working capital and to maintain liquidity.

	Policy		Forecast	
	Minimum (as at end 2010)	Maximum (as at end 2010)	Start 2010	End 2010
Vote 1	£1.48m (1.5 months net expenditure)	£2.95m (3 months net expenditure)	£2.28 million	£2.28 million
Vote 2	£1.29m (1.5 months net expenditure)	£2.58m (3 months net expenditure)	£2.32 million	£2.32 million
Vote 3	£150,000	£300,000	£173,000	£173,000
Vote 4 *	£50,000	£200,000	£212,000	£212,000
Vote 5 (including designated fund)	£271,000 (1 months net expenditure)	£542,000 (2 months net expenditure)	£283,000	£283,000

\* Given the present uncertainty with regard to future contribution rates for the clergy pension scheme, the Council has approved the maintenance of Vote 4 reserves at £12,000 (6.0%) above maximum policy levels.

## Apportionment

The recommended apportionment table for 2010 using the usual formula is shown on the following page.

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 2.0% for the 2010 budget. Thus in 2010 with the overall recommended apportionment increase at 0.4%, the maximum increase for any diocese (before pooling adjustments) is 2.4%.

## Table of Apportionment for 2010

Diocese	Training for Ministry	National Church Responsibilities	Grants & Provisions	Inter-diocesan support of Mission Agency clergy pension contributions	CHARM	Apportionment 2010	% change 2010 on 2009	Pooling	votes 1 to 5 post pooling
	VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5	VOTE 1-5	%	£	£
	£	£	£	£	£	£			
Bath & Wells	312,337	272,644	40,642	21,972	86,399	<b>733,993</b>	<b>-1.9</b>	- 1,656	732,337
Birmingham	176,857	154,378	23,013	12,443	48,922	<b>415,613</b>	<b>-0.8</b>	16,516	432,129
Blackburn	257,243	224,547	33,473	18,099	71,159	<b>604,520</b>	<b>0.7</b>	41,275	645,795
Bradford	97,889	85,448	12,737	6,887	27,078	<b>230,039</b>	<b>-0.9</b>	- 57,729	172,310
Bristol	186,600	162,884	24,281	13,129	51,618	<b>438,513</b>	<b>-0.2</b>	- 13,160	425,353
Canterbury	187,214	163,420	24,361	13,172	51,788	<b>439,955</b>	<b>1.0</b>	55,681	495,636
Carlisle	163,125	142,392	21,226	11,477	45,124	<b>383,344</b>	<b>1.1</b>	29,335	412,679
Chelmsford	448,163	391,203	58,316	31,532	123,972	<b>1,053,186</b>	<b>0.8</b>	101,372	1,154,558
Chester	389,889	340,336	50,734	27,432	107,852	<b>916,244</b>	<b>-0.1</b>	- 6,244	910,000
Chichester	515,434	449,924	67,070	36,265	142,580	<b>1,211,273</b>	<b>1.0</b>	31,336	1,242,609
Coventry	180,892	157,900	23,538	12,727	50,038	<b>425,095</b>	<b>-3.9</b>	- 7,282	417,813
Derby	179,714	156,872	23,385	12,644	49,713	<b>422,328</b>	<b>-0.9</b>	21,135	443,463
Durham	176,941	154,453	23,024	12,450	48,946	<b>415,814</b>	<b>1.9</b>	- 57,628	358,186
Ely	214,434	187,180	27,902	15,087	59,317	<b>503,920</b>	<b>0.4</b>	- 154,329	349,591
Exeter	267,712	233,687	34,836	18,836	74,055	<b>629,126</b>	<b>-1.1</b>	43,330	672,456
Gloucester	238,264	207,981	31,004	16,764	65,909	<b>559,922</b>	<b>-1.1</b>	- 103,784	456,138
Guildford	383,852	335,066	49,947	27,008	106,181	<b>902,055</b>	<b>1.0</b>	38,034	940,089
Hereford	136,520	119,168	17,765	9,605	37,764	<b>320,821</b>	<b>1.1</b>	26,729	347,550
Leicester	160,504	140,105	20,886	11,293	44,399	<b>377,187</b>	<b>-2.6</b>	- 27,380	349,807
Lichfield	361,885	315,891	47,090	25,462	100,105	<b>850,433</b>	<b>1.4</b>	46,592	897,025
Lincoln	280,000	244,413	36,434	19,700	77,454	<b>658,001</b>	<b>2.2</b>	63,076	721,077
Liverpool	235,874	205,895	30,693	16,595	65,248	<b>554,306</b>	<b>-0.7</b>	32,980	587,286
London	962,949	840,562	125,302	67,751	266,372	<b>2,262,935</b>	<b>2.4</b>	- 163,044	2,099,891
Manchester	283,102	247,120	36,838	19,919	78,312	<b>665,290</b>	<b>-1.4</b>	54,036	719,326
Newcastle	135,641	118,401	17,650	9,544	37,521	<b>318,757</b>	<b>1.7</b>	10,714	329,471
Norwich	223,789	195,345	29,120	15,745	61,905	<b>525,905</b>	<b>0.0</b>	24,573	550,478
Oxford	731,639	638,650	95,203	51,477	202,387	<b>1,719,356</b>	<b>0.5</b>	- 9,738	1,709,618
Peterborough	213,917	186,729	27,835	15,051	59,174	<b>502,705</b>	<b>2.4</b>	- 4,307	498,398
Portsmouth	150,171	131,084	19,540	10,565	41,541	<b>352,901</b>	<b>-0.7</b>	18,670	371,571
Ripon & Leeds	162,996	142,280	21,210	11,469	45,088	<b>383,042</b>	<b>-0.5</b>	- 4,008	379,034
Rochester	330,813	288,768	43,046	23,275	91,507	<b>777,409</b>	<b>0.3</b>	1,617	779,026
St Albans	447,908	390,981	58,283	31,514	123,901	<b>1,052,587</b>	<b>0.6</b>	69,165	1,121,752
St Eds & Ips	208,224	181,759	27,095	14,650	57,600	<b>489,328</b>	<b>1.0</b>	67,859	557,187
Salisbury	370,059	323,026	48,153	26,037	102,366	<b>869,640</b>	<b>2.4</b>	42,727	912,367
Sheffield	154,903	135,215	20,156	10,898	42,850	<b>364,021</b>	<b>-1.0</b>	4,567	368,588
Sodor & Man	26,876	23,460	3,498	1,891	7,434	<b>63,160</b>	<b>2.4</b>	10,153	73,313
Southwark	531,016	463,525	69,097	37,361	146,890	<b>1,247,888</b>	<b>0.8</b>	- 228,220	1,019,668
Southwell	174,336	152,178	22,685	12,266	48,224	<b>409,690</b>	<b>1.5</b>	- 15,826	393,864
Truro	131,444	114,738	17,104	9,249	36,361	<b>308,895</b>	<b>1.1</b>	30,119	339,014
Wakefield	160,538	140,134	20,890	11,295	44,408	<b>377,266</b>	<b>-0.3</b>	2,374	379,640
Winchester	351,271	306,626	45,708	24,715	97,169	<b>825,488</b>	<b>-1.9</b>	- 10,055	815,433
Worcester	182,913	159,665	23,801	12,869	50,597	<b>429,845</b>	<b>-1.4</b>	19,831	449,676
York	285,819	249,492	37,191	20,110	79,063	<b>671,675</b>	<b>2.4</b>	- 3,095	668,580
Europe	-	-	-	-	-	-	-	- 36,311	36,311
Armed Forces	28,335	24,733	3,687	1,995	-	<b>58,750</b>	<b>0.4</b>	-	58,750
<b>totals</b>	<b>11,800,000</b>	<b>10,300,258</b>	<b>1,535,448</b>	<b>830,228</b>	<b>3,256,288</b>	<b>27,722,222</b>	<b>0.4</b>	-	<b>27,722,222</b>