

GENERAL SYNOD**Archbishops' Council 2024 Budget****Introduction**

1. This paper sets out the Archbishops' Council's planned budget for 2024 for the work supported by Votes 1-5 of the diocesan apportionment. An updated forecast for 2023 is also provided and is compared with the 2023 budget presented to General Synod last July (see GS2268).
2. With the exception of income received to supplement the five Votes of the diocesan apportionment, this paper does not cover grants that the Council plans to make from grants it receives from the Church Commissioners and non-NCI sources. As noted in GSMisc 1352, this will include grants to dioceses to enable the bold outcomes and strategic priorities of the Vision & Strategy to be realised in local communities through investing in local ministry as part of diocesan strategies, support for the transition towards net Zero, support of Buildings for Mission to help parishes with the burden of buildings management and allocations for focussed interventions in relation to Racial Justice and to enable the expansion of the Social Impact Investment programme.
3. The Council's 2024 budget takes account of the spending plans for 2023-25 agreed by the Council and the Church Commissioners last year and welcomed by the General Synod last year (see GS 2262). This incorporated an increased funding contribution from the Church Commissioners to the Council towards its operating budget to help keep apportionment down, including a separate funding stream for safeguarding. The 2024 budget builds on the Transforming Effectiveness changes, as a result of which the Council's gross expenditure is £2.95m p.a. lower than it would have been had these changes not been made.
4. As a result of these two factors and continuing cost control, the Council is able to recommend to the Synod that the 2024 diocesan apportionment should be set at the same level as in 2023. Thus the 2024 apportionment will be 5.2% less than the 2019 cash level: a 30% real terms reduction over that period.
5. The Council agreed that, for the first time since 2019, the apportionment calculation should be updated to reflect the latest input data. This will mean that the relatively better resourced dioceses (as determined by the inputs to the formula such as local income levels, diocesan and parish investment income) will be asked to increase their apportionment payments up to a maximum of 1% to enable some easement of the apportionment requested from the relatively lesser resourced dioceses.
6. The Synod is invited to approve: (i) the Council's expected 2024 expenditure in relation to each of the five budget elements funded largely by the dioceses, (ii) the resultant diocesan apportionment and (iii) the pooling adjustment in respect of ordinands' additional maintenance costs.

2023 forecast and 2024 budget summary

7. The table below summarises forecast income and expenditure in 2023 for the Council's activities governed by Synod Votes 1 – 5 (i.e. it does not include the grants made by the Council from Church Commissioners' distributions for onward distribution) compared with the budget¹ and the income and expenditure budget for 2024. Additional detail is provided in **Annex 1** and in the Vote by Vote commentary at **Annex 2** which includes a departmental analysis of the operating budget (Vote 2).

	2023		Variance: F/cst vs Budget		2024	Variance: Budget 2024 vs Budget 2023	
	Budget	Forecast			Budget		
	£m	£m	£m	%	£m	£m	%
Gross expenditure							
Training for Ministry (Vote 1)	15.7	13.7	2.1	13.0%	15.0	0.7	4.7%
Operating Budget (Vote 2)	33.1	33.3	-0.3	-0.8%	34.2	-1.1	-3.3%
Grants (Vote 3)	1.5	1.5	0.0	1.4%	1.5	0.0	0.1%
Mission agency pension cont'n (Vote 4)	0.6	0.4	0.2	32.1%	0.4	0.2	29.3%
Clergy retirement housing (Vote 5)	5.8	5.8	0.0	0.0%	6.1	-0.3	-5.0%
Total	56.8	54.8	2.0	3.5%	57.3	-0.5	-0.8%
Funded by							
Diocesan Apportionment	31.3	31.3	0.0	0.0%	31.3	0.0	0.0%
External Income	2.5	2.3	-0.1	-5.5%	2.0	-0.4	-17.9%
Accommodation income (NCI subtenants)	1.2	1.0	-0.3	-20.6%	1.1	-0.2	-14.9%
Church Commissioners	19.5	20.5	1.1	5.4%	21.4	1.9	9.8%
AC Restricted / Designated Funds	2.2	1.1	-1.1	-50.2%	1.5	-0.7	-30.7%
Vote Reserves	0.1	-1.4	-1.5	-1189.0%	0.0	-0.1	-100.0%
Total	56.8	54.8	-2.0	-3.5%	57.3	0.5	0.8%

2023 Forecast

8. Forecast expenditure in 2023 is £54.8m, £2.0m (3.5%) below budget. The main changes are forecast underspends of £2.1m in Training for Ministry due to lower than budgeted ordinand numbers and £0.2m in Mission Agency Pension Contributions (the budget made provision for the interim contribution rate of 36.0% rather than the rate of 28.0% announced last September).
9. Forecast expenditure in the operating budget is £33.3m, £0.3m (0.8%) above budget. The most significant changes in the operating budget are:
- savings in accommodation (£1.2m gross, reduced to £0.5m net when lower NCI income and VAT recovery are taken into account) and safeguarding (£0.4m, 6.4%, with the most significant factor being that depreciation of the casework management system will begin later than budgeted).
 - additional expenditure in the General Other category (£0.6m, largely the reduction in recoverable VAT referred to above), Racial Justice (£0.5m, mostly additional resources funded from the spending plans allocation), Central Secretariat (£0.3m, due to increased cost and number of meetings of General Synod and College of Bishops) and the Independent Safeguarding Board (£0.3m).

¹ approved by the Council in September and the General Synod in November ([GS 2235 Archbishops' Council 2022 financial update .pdf \(churchofengland.org\)](#)).

2024 Budget

10. The Council's budgeted expenditure in 2024 for areas of activity substantially funded by the diocesan apportionment (Votes 1 – 5) is £57.3m. This is £0.5m (0.8%) above the 2023 budget and reflects the following key movements (see **Annex 2** for further detail):

- (i) A decrease of £0.7m in the Training for Ministry budget due to the forecast number of ordinands starting training in autumn 2023 being less than the number forecast to complete their training this year, although the forecast is notably higher than the number of ordinands who started last autumn.
- (ii) An increase of £1.1m in the Operating Budget. Apart from provision for an inflationary increase, this is primarily due to enhanced Safeguarding activity including the planned expansion of the regional model and the commencement of depreciation costs for the casework management system, together with an increase in Central Services expenditure and increases in Ministry Development and Racial Justice resources funded from triennial spending plans allocations as expected.

Partially offsetting these increases are a reduction in Emerging Church Programme expenditure following expected completion of the Church House Accommodation Project activity in autumn 2023, and lower ongoing rent and service charges incurred as a result of the NCIs' much reduced Church House accommodation footprint.

- (iii) A decrease of £0.2m in Mission Agency Pension Contributions, as the lower contribution rate for the Clergy Scheme that came into effect from the start of 2023 was not announced until after the 2023 budget was finalised.
- (iv) An increase of £0.3m for the agreed 5% increase in the Clergy Retirement Housing grant. As described in Annex 2, recognising the financial challenges of increased demand, maintenance costs and interest costs a grant was made earlier this year from triennial funding to support near term cost pressures without a larger call on apportionment.

11. Budgeted income in 2024 comprises:

- (i) Diocesan apportionment of £31.3m – the same level as 2023 and £1.7m (5.2%) below 2019. Assuming a CPI increase of 5% this year (in line with the most recent HM Treasury aggregation of economists' forecasts) this is equivalent to a real terms reduction of around 30% over the past five years.
- (ii) Church Commissioners' grant funding of £21.4m - £1.9m more than in 2023. This includes £2.1m additional People and Partnerships Funding for Ministry Development activity (£0.5m more than in the 2023 forecast) and £0.4m for Racial Justice work in Education and HR (similar to the 2023 forecast), offset by a £0.7m reduction in Additional Ordinands Funding.
- (iii) External income of £2.0m - £0.4m less than 2023. This includes grant income for the work enabling dioceses and networks to develop strategies to detect modern slavery and help provide victim support and care, Church House Publishing income, reimbursement of certain costs relating to General Synod and bishops' meetings.

(iv) Accommodation income of £1.1m - £0.2m less than the 2023 budget reflecting the reduction of the Church House footprint.

12. The budget also includes a net draw of £1.5m from Restricted / Designated funds. This comprises an estimated draw of £1.8m from the Church and Community Fund² less £0.3m for the National Safeguarding Casework Management System designated fund which will begin to be depreciated in mid-2024.

Reserves

13. The Council holds reserve funds for each of the five areas of expenditure voted on separately by General Synod to enable it to meet its obligations and commitments which span more than one accounting period, to assist in cash flow management and to help reduce the risk of needing to ask dioceses for a substantial increase in apportionment funding in any one year. The table below shows the forecast level of these reserves to end 2024.

	Actual 1 Jan 2023 £'000s	Forecast activity Jan-Dec 2023 £'000s	Thus end Dec 2023 £'000s	2023 Policy levels		Budget Jan-Dec 2024 £'000s	Thus end Dec 2024 £'000s	2024 Policy levels	
				Min £000s	Max £000s			Min £000s	Max £000s
Training for ministry - Vote 1	2,717	1,082	3,798	1,312	3,936	-	3,798	1,250	3,750
Operating Budget (Unrestricted) - Vote 2	2,370	250	2,620	2,757	8,270	427	3,047	2,848	8,545
Grants - Vote 3	238	21	259	127	380	-	259	127	380
Mission agencies pension contributions - Vote 4	434	63	497	50	151	(427)	70	36	107
Clergy retirement housing - Vote 5	821	-	821	487	1,461	-	821	511	1,534
Total	6,579	1,416	7,995	4,733	14,198	-	7,995	4,772	14,315
				Min 1mths / Max 3 mths budget expenditure				Min 1mths / Max 3 mths budget expenditure	
<u>Restricted Funds with wide purposes</u>	Actual 1 Jan 2023 £'000s	Forecast Jan-Dec'23 £'000s	Thus end Dec 2023 £'000s			Draft Budget Jan-Dec '24 £'000s	Thus end Dec 2024 £'000s		
Church & Community Fund (CCF)	17,678	(1,686)	15,992			(1,783)	14,208		
Special Purposes Fund	2,187	-	2,187			-	2,187		

² £0.75m for Interim Support Scheme grants. £0.6m for depreciation on the People System as well as the estimated sustainable draw on the fund based on expected return on investment of £475,000. So the budgeted draw from this fund exceeds the estimated sustainable level by £1.35m.

14. It is forecast that at the end of 2023 the Vote 2 – Unrestricted – reserve will be slightly below the minimum of the reserves policy range of one month’s budgeted expenditure. It is also forecast that the Vote 4 reserve for mission agencies pension contributions will remain significantly above the maximum of the policy range. In the light of this, whilst maintaining the commitment made last year to keep the overall diocesan apportionment in 2024 at the 2023 level, the Council had adjusted the balance of the apportionment between the votes with the objective of bringing the vote 2 and vote 4 reserves within the policy ranges by the end of 2024.

Diocesan apportionment and funding the 2024 budget

15. The Council has agreed to set a budget with the diocesan apportionment in 2024 being kept at the 2023 level of £31.3m. Following the 3.7% reduction in 2022, this is 5.2% below the level in 2019 and 2020. It is important to note that this is a significant real terms reduction: assuming a 5% increase in CPI this year, holding apportionment flat again in cash terms will mean that the actual 2024 apportionment is estimated to be £9.8m (c. 30%) less than if the 2019 apportionment had been increased by CPI.
16. 2023 was the fourth successive year when a fixed percentage change in apportionment has applied across the dioceses rather than updating the apportionment formula which has regard to an assessment of diocesan resources. This year, recognising the mutual support within the apportionment formula, the Council has decided that updated data should be used so that the dioceses deemed to have relatively greater resources should pay a slightly higher apportionment thus enabling a reduction in the apportionment payable by the relatively lesser resourced dioceses.
17. The Council decided that the maximum increase in the pre-pooling apportionment should be 1%. Under this arrangement 11 dioceses will see an increase in their apportionment with nine of these seeing the maximum percentage increase of 1.0%. In monetary terms the highest increase would be £29,249 for London. 30 dioceses will see a reduction in their apportionment with Lincoln seeing the largest monetary decrease of £6,279. The apportionment for the Diocese in Europe, the Armed Forces chaplaincies and the Channel Island Deaneries is unchanged.
18. In addition, dioceses will see a change in the amount requested from them each month due to the pooling adjustment in respect of additional maintenance grants paid to ordinands. This system ensures that ultimately each diocese will fund the same proportion of these grants as the proportion of requested apportionment. This is achieved through a positive or negative pooling adjustment. This is explained more fully in **Annex 2**.

Summary

19. The Synod is invited to:

- take note of this report
- approve the Archbishops' Council's expenditure for the year 2024 in each of Votes 1-5
- approve the Archbishops' Council's proposals (set out in the Table of Apportionment) for:
 - (a) the apportionment amongst the dioceses of the net sum to be provided by them to enable the Council to meet the expected expenditure shown in its budget for the year 2024, and
 - (b) the pooling adjustment for 2024 in respect of additional maintenance grants for ordinands.

Canon John Spence: Chair, Archbishops' Council Finance Committee

June 2023

**Published by the General Synod of the Church of England
© The Archbishops' Council 2023**

2024 Table of Apportionment

Diocese	Training for Ministry	National Church Responsibilities	Grants & Provisions	Inter-diocesan support of Mission Agency clergy pension contributions	CHARM	Apportionment 2024	% change 2024 on 2023	Pooling 2022/23	Total Apportionment post pooling 2024
	Vote 1 £	Vote 2 £	Vote 3 £	Vote 4 £	Vote 5 £	£	%	£	£
Bath & Wells	389,828	232,739	40,094	-	162,152	824,813	-0.8	27,535	852,348
Birmingham	190,258	113,589	19,568	-	79,139	402,554	0.7	(66,211)	336,343
Blackburn	300,157	179,202	30,871	-	124,853	635,083	-0.6	(7,322)	627,761
Bristol	224,669	134,134	23,107	-	93,453	475,363	-0.3	48,953	524,316
Canterbury	237,735	141,935	24,451	-	98,888	503,009	1.0	15,736	518,745
Carlisle	212,132	126,649	21,818	-	88,238	448,837	0.1	69,689	518,526
Chelmsford	555,987	331,941	57,184	-	231,268	1,176,380	0.4	62,534	1,238,914
Chester	482,233	287,907	49,598	-	200,589	1,020,327	-0.4	138,399	1,158,726
Chichester	629,633	375,910	64,758	-	261,902	1,332,203	-0.3	107,933	1,440,136
Coventry	234,001	139,705	24,067	-	97,335	495,108	1.0	(3,008)	492,100
Derby	213,734	127,605	21,983	-	88,904	452,226	1.0	32,410	484,636
Durham	223,188	133,250	22,955	-	92,837	472,230	-0.4	(78,378)	393,852
Ely	279,798	167,048	28,778	-	116,385	592,009	1.0	(11,676)	580,333
Exeter	347,250	207,319	35,715	-	144,442	734,726	0.3	73,263	807,989
Gloucester	306,380	182,918	31,511	-	127,441	648,250	0.3	(36,687)	611,563
Guildford	512,287	305,851	52,689	-	213,090	1,083,917	0.3	137,692	1,221,609
Hereford	169,926	101,451	17,477	-	70,682	359,536	-0.5	49,019	408,555
Leicester	196,522	117,330	20,213	-	81,745	415,810	1.0	30,486	446,296
Lichfield	430,689	257,134	44,297	-	179,149	911,269	-0.3	136,366	1,047,635
Lincoln	301,011	179,713	30,959	-	125,208	636,891	-1.8	120,973	757,864
Liverpool	277,451	165,646	28,536	-	115,408	587,041	-0.9	(261,170)	325,871
London	1,396,221	833,586	143,602	-	580,771	2,954,180	1.0	(1,154,034)	1,800,146
Manchester	332,715	198,639	34,220	-	138,396	703,970	-1.0	(69,669)	634,301
Newcastle	171,387	102,323	17,627	-	71,290	362,627	-0.3	13,897	376,524
Norwich	250,102	149,318	25,723	-	104,032	529,175	0.0	99,385	628,560
Oxford	928,965	554,620	95,545	-	386,411	1,965,541	0.6	(23,044)	1,942,497
Peterborough	279,223	166,704	28,718	-	116,145	590,790	-1.4	9,501	600,291
Portsmouth	186,311	111,233	19,162	-	77,498	394,204	1.0	(18,460)	375,744
Rochester	407,187	243,103	41,880	-	169,373	861,543	-0.1	76,302	937,845
St Albans	539,035	321,820	55,440	-	224,217	1,140,512	-0.3	66,442	1,206,954
St Eds & Ips	248,386	148,294	25,547	-	103,318	525,545	-1.1	84,225	609,770
Salisbury	448,217	267,599	46,099	-	186,440	948,355	-1.1	58,986	1,007,341
Sheffield	187,652	112,034	19,300	-	78,056	397,042	0.0	(69,769)	327,273
Sodor & Man	33,583	20,050	3,454	-	13,969	71,056	1.0	15,617	86,673
Southwark	751,947	448,934	77,338	-	312,779	1,590,998	1.0	201,332	1,792,330
Southwell & Nottingham	211,115	126,042	21,713	-	87,815	446,685	-0.5	(14,709)	431,976
Truro	158,284	94,500	16,280	-	65,840	334,904	0.5	44,956	379,860
Winchester	361,851	216,023	37,220	-	150,550	765,644	-1.1	(100,937)	664,707
Worcester	213,145	127,254	21,922	-	88,660	450,981	-1.1	50,617	501,598
York	350,858	209,472	36,086	-	145,942	742,358	0.1	54,692	797,050
Europe	31,015	20,289	2,617	-	11,685	65,606	0.0	(64,844)	762
Leeds	496,208	296,251	51,035	-	206,402	1,049,896	-0.7	94,041	1,143,937
Armed Forces	17,767	11,871	1,499	-	-	31,137	0.0		31,137
Guernsey	26,211	15,654	2,694	-	10,887	55,449	0.0		55,449
Jersey	33,359	19,923	3,429	-	13,857	70,571	0.0		70,571
Life assurance								(54,966)	(54,966)
Additional Ordinands grant								113,903	113,903
Totals	14,775,613	8,824,513	1,518,779	-	6,137,441	31,256,351	0.0	0	31,256,351

Annex 1

Summary by Vote		2023		variance vs '23 budget		2024 Budget	variance vs '23 budget		
		Budget	Forecast				£'000s		
		£'000s	£'000s	£'000s	%		£'000s	£'000s	%
Training for Ministry	External Income								
	Income (from Church Commissioners)	-968		-968		-222	-746		
	Expenditure	15,744	13,694	2,050	15.0%	14,998	746	4.7%	
	Net Expenditure	14,776	13,694	1,082		14,776	-		
	Funded via:								
V1	Dioceses via Apportionment	14,776	14,776	0	0.0%	14,776	0	0.0%	
	V1 Reserves: (to) / from	-	-1,082	1,082		-	-		
Operating Budget	External Income	-2,454	-2,319	-135		-2,014	-440		
	Accommodation Income (NCIs subtenants)	-1,239	-984	-255		-1,055	-184		
	Income (from Church Commissioners)	-18,509	-20,527	2,017		-21,164	2,655		
	Expenditure	33,080	33,335	-255	-0.8%	34,181	-1,101	-3.3%	
	Net Expenditure	10,877	9,506	1,371		9,947	930		
	Funded via:								
	AC Rest/Des Funds Transfers	2,236	1,115	1,121		1,550	686		
V2	Dioceses via Apportionment	8,641	8,641	0	0.0%	8,825	-183	-2.1%	
	V2 Reserves: (to) / from	-	-250	250		-427	427		
Grants	Income (from Church Commissioners)								
	Expenditure	1,521	1,500	21	1.4%	1,519	2	0.1%	
	Net Expenditure	1,521	1,500	21		1,519	2		
	Funded via:								
V3	Dioceses via Apportionment	1,521	1,521	0	0.0%	1,519	2	0.1%	
	V3 Reserves: (to) / from	-	-21	21		-	-		
Mission Agency Pension	Income (from Church Commissioners)								
	Expenditure	604	410	193	47.2%	427	177	29.3%	
	Net Expenditure	604	410	193		427	177		
	Funded via:								
V4	Dioceses via Apportionment	474	474	0	0.0%	0	474	100.0%	
	V4 Reserves: (to) / from	130	-63	193		427	-297		
CHARM	Income (from Church Commissioners)								
	Expenditure	5,845	5,845	0	0.0%	6,137	-292	-5.0%	
	Net Expenditure	5,845	5,845	0		6,137	-292		
	Funded via:								
V5	Dioceses via Apportionment	5,845	5,845	0	0.0%	6,137	-292	-5.0%	
	V5 Reserves: (to) / from	-	-	-		-	-		
TOTAL	External Income	-2,454	-2,319	-135		-2,014	-440		
	Accommodation Income (NCIs subtenants)	-1,239	-984	-255		-1,055	-184		
	Income (from Church Commissioners)	-19,478	-20,527	1,049		-21,387	1,909		
	Expenditure	56,793	54,785	2,009	3.7%	57,261	-468	-0.8%	
	Net Expenditure	33,622	30,955	2,667		32,806	817		
	Funded via:								
	AC Rest/Des Funds Transfers	2,236	1,115	1,121		1,550	686		
	Dioceses via Apportionment	31,256	31,256	0	0.0%	31,256	0	0.0%	
	Reserves: (to) / from	130	-1,416	1,546		-	130		

2023 forecast and 2024 Budget by Vote

Vote 1 – Training for Ministry

1. The Training for Ministry budget covers the majority of the costs of training clergy for deployment in the Church of England. It excludes the costs of family maintenance grants which are made by dioceses (see next section).
2. The 2023 forecast expenditure on Training for Ministry is £2.1m (13.0%) below budget as a result of lower than budgeted ordinand numbers in 2022/3 and a forecast that the number of ordinands in 2023/4 will be notably below the level assumed when the 2023 budget was set. It is expected that no Additional Ordinands Fund grant from the Church Commissioners will be required to support this budget in 2023, although the planned £0.8m grant towards ordinands' additional maintenance costs (pooling) will be needed.
3. Total expenditure on Training for Ministry in 2024 is budgeted at £15.0m, £0.7m (4.7%) below the 2023 budget. It provides for 1,090 ordinands in training in the 2023/24 academic year – 10 fewer than at present – including 510 new starters in Autumn 2023, compared with 380 in Autumn 2022. The actual number of new starters (FTE) in Autumn 2022 was 98 fewer than assumed in the 2023 budget:

Academic Year	Starters	Year-on-Year change (%)	Cumulative change (%)	Total in Training	Year-on-Year change (%)	Cumulative change (%)	Leavers at end of year + withdrawals
2016/17	476			1181			
2017/18	544	14.3%	14.3%	1242	5.2%	5.2%	
2018/19	587	7.9%	23.3%	1352	8.9%	14.5%	522
2019/20	545	-7.2%	14.5%	1365	1.0%	15.6%	571
2020/21	579	6.2%	21.6%	1373	0.6%	16.3%	576
2021/22	478	-17.4%	0.4%	1275	-7.1%	8.0%	555
2022/23	380	-20.5%	-20.2%	1100	-13.7%	-6.9%	520
2023/24	510	34.2%	7.1%	1090	-0.9%	-7.7%	

Pooling

4. The total of eligible estimated diocesan expenditure on maintenance of ordinands for the academic year 2022/23 has been pooled, as is the normal practice. This total is shared between the dioceses in the same proportions as the apportionment, resulting in a net payment or refund for each diocese to make up the difference between each diocese's direct expenditure on grants and its apportioned amount. This 'pooling adjustment' is collected or rebated alongside the apportionment for administrative convenience. The eligible total for each academic year is then adjusted for any difference between the estimated and actual expenditure for the prior academic year (i.e. 2021/22).
5. Poolable expenditure in the 2022/23 academic year (including the adjustment in respect of the previous academic year) was £7.0m compared with £7.7m in 2021/22. £0.5m of grants paid by dioceses (£0.5m in 2021/22) were not eligible for pooling.
6. As part of the spending plans for the 2020-22 and 2023-24 triennia, it was agreed that the Church Commissioners will make a grant to the Council to help to cover ordinands' additional maintenance costs. It was agreed that this grant would cover the costs above those borne by dioceses for the 2018/19 academic year (£6.8m), modified for inflation at the rate of the Vote 1 apportionment increase in each year. This is consistent with the part of the additional ordinands funding which is in effect a top-up for the Training for Ministry budget.
7. This arrangement results in a grant from the Commissioners towards ordinands' maintenance grants of £0.1m in 2024 compared with £0.8m for 2023.

Pooling of Ordinands Costs 1.9.2022 to 31.8.2023										
	a	b	d	e	f	g	h	i		j
DIOCESE	2022/23 estimated spend	2022/23 single cap adjustment	2022/23 Total estimated pooling spend	Prior year (21/22) adjustment	2022/23 total poolable spend	2024 apportionment %	2024 apportioned pooling amount	2024 Apport. (refund) or additional payment	2024 value of Additional Ordinands funding	2023 (refund) or payment
			(a+b)		(d+e)		(g*Σf)	(h-f)		
Bath and Wells	176,768	(39,518)	137,250	16,495	153,746	2.65%	181,281	27,535	3,005	21,732
Birmingham	157,956	(3,270)	154,686	(0)	154,686	1.29%	88,475	(66,211)	1,446	10,460
Blackburn	146,571	(0)	146,571	332	146,903	2.04%	139,581	(7,322)	2,297	16,615
Bristol	57,366	(2,464)	54,902	622	55,524	1.53%	104,477	48,953	1,724	12,468
Canterbury	96,032	0	96,032	(1,215)	94,817	1.61%	110,553	15,736	1,819	13,152
Carlisle	24,599	0	24,599	4,359	28,958	1.44%	98,647	69,689	1,634	11,820
Chelmsford	216,661	(8,949)	207,712	(11,698)	196,014	3.78%	258,549	62,534	4,256	30,775
Chester	103,659	(0)	103,658	(17,806)	85,852	3.27%	224,251	138,399	3,704	26,789
Chichester	186,572	(1,954)	184,618	245	184,863	4.28%	292,796	107,933	4,807	34,760
Coventry	117,730	(6,460)	111,270	555	111,825	1.59%	108,817	(3,008)	1,797	12,993
Derby	69,823	(3,373)	66,450	532	66,982	1.45%	99,392	32,410	1,675	12,113
Durham	190,921	(45,104)	145,817	36,349	182,166	1.52%	103,788	(78,378)	1,734	12,537
Ely	132,995	(8,568)	124,427	17,363	141,790	1.90%	130,114	(11,676)	2,222	16,066
Exeter	114,206	(12,466)	101,740	(13,522)	88,218	2.36%	161,481	73,263	2,672	19,322
Gloucester	177,028	0	177,028	2,134	179,162	2.08%	142,475	(36,687)	2,415	17,463
Guildford	156,562	(71,436)	85,126	15,410	100,536	3.48%	238,227	137,692	3,981	28,790
Hereford	31,732	(1,731)	30,001	0	30,001	1.15%	79,020	49,019	1,287	9,308
Leicester	64,900	(0)	64,900	(3,997)	60,902	1.33%	91,388	30,486	1,591	11,506
Lichfield	64,900	(0)	64,900	(984)	63,916	2.92%	200,282	136,366	3,309	23,929
Lincoln	25,929	0	25,929	(6,924)	19,005	2.04%	139,978	120,973	2,248	16,257
Liverpool	365,752	(10,179)	355,573	34,619	390,192	1.88%	129,022	(261,170)	2,136	15,445
London	1,942,797	(118,681)	1,824,116	(20,802)	1,803,314	9.48%	649,280	(1,154,034)	11,664	84,346
Manchester	256,761	(18,748)	238,013	(13,623)	224,390	2.26%	154,721	(69,669)	2,576	18,629
Newcastle	74,075	(6,692)	67,383	(1,580)	65,803	1.16%	79,700	13,897	1,324	9,575
Norwich	30,061	(4,969)	25,092	(8,172)	16,920	1.70%	116,304	99,385	1,897	13,722
Oxford	495,154	(10,132)	485,022	(29,984)	455,038	6.31%	431,994	(23,044)	7,141	51,643
Peterborough	148,321	0	148,321	(27,976)	120,345	1.90%	129,846	9,501	2,139	15,470
Portsmouth	110,100	(5,000)	105,100	0	105,100	1.27%	86,640	(18,460)	1,441	10,423
Rochester	155,171	(35,094)	120,077	(7,027)	113,050	2.76%	189,353	76,302	3,122	22,576
St Albans	195,950	(8,483)	187,467	(3,243)	184,224	3.66%	250,666	66,442	4,102	29,661
St Edmundsbury & Ipswich	61,638	(25,157)	36,481	(5,200)	31,281	1.69%	115,506	84,225	1,893	13,689
Salisbury	151,403	(437)	150,966	(1,519)	149,447	3.04%	208,433	58,986	3,427	24,785
Sheffield	171,935	(16,129)	155,806	1,226	157,032	1.27%	87,263	(69,769)	1,448	10,473
Sodor and Man	0	0	0	0	0	0.23%	15,617	15,617	279	2,016
Southwark	193,462	(23,796)	169,666	(21,322)	148,344	5.11%	349,675	201,332	5,904	42,693
Southwell & Nottingham	143,833	(2,662)	141,171	(28,288)	112,883	1.43%	98,174	(14,709)	1,611	11,650
Truro	28,650	0	28,650	0	28,650	1.07%	73,606	44,956	1,216	8,794
Winchester	292,359	(2,849)	289,510	7,399	296,909	2.86%	195,972	(100,937)	2,810	20,318
Worcester	27,095	0	27,095	21,406	48,501	1.45%	99,118	50,617	1,643	11,882
York	62,026	(10,187)	51,839	56,628	108,467	2.38%	163,158	54,692	2,703	19,548
Leeds	150,977	(9,492)	141,485	(4,776)	136,709	3.37%	230,750	94,041	3,804	27,510
Europe	90,792	(23,424)	67,368	(2,524)	64,844	0%	0	(64,844)	-	-
Life Assurance	54,966	0	54,966	0	54,966	-	0	(54,966)	-	-
Total (before grant)					6,962,274					
Additional Ordinands grant					(113,903)	-	0	113,903		(823,703)
TOTAL	7,516,188	(537,405)	6,978,783	(16,510)	6,848,370		6,848,370	0	113,903	0

Vote 2 – National Church Responsibilities (Operating Budget)

2023 forecast

8. This budget comprises the operating costs of the Archbishops' Council departments and the Council's share of shared service departments such as Communications, Finance, Legal, Technology and Human Resources. Forecast operating expenditure in 2023 is £33.3m. This is £0.3m (0.8%) above the 2023 budget.
9. The most significant forecast additional expenditures are:
 - £0.5m additional expenditure in Racial Justice representing additional resource particularly relating to Education and HR work, funded as planned via triennial spending plans provision for 2023-2025.
 - £0.4m increase in irrecoverable VAT (included in General Other) due to lower accommodation costs.
 - £0.3m in Central Secretariat, largely due to increased cost and number of meetings of General Synod and College of Bishops.
 - £0.3m relating to the Independent Safeguarding Board
 - £0.3m in Ministry Development, reflecting the inclusion of staffing costs for the Lay Ministry Development Programme and expansion of the Ministry Experience Scheme (including the Youth Ministry Experience Scheme) agreed as part of last year's triennial spending plans exercise which has now been incorporated into the operating budget.
 - £0.1m for central services reflecting staffing pressures in Finance and HR, a new Council funded post in the Legal Office and the increased cost of cyber security including the purchase of cyber security insurance.
10. The most significant savings against budget are:
 - £1.2m in accommodation (reduced to £0.5m net when lower NCI subtenant income and VAT recovery are taken into account)
 - £0.4m for safeguarding as depreciation of the casework management system will begin later than budgeted and Interim Support Scheme grants are now forecast to be £150,000 less than budgeted.
 - £0.2m in Faith and Public Life due to the saving of two staff posts and various economies in non-staff costs

2024 budget

11. The budget for operating expenditure in 2024 is £34.2m. This is £1.1m (3.3%) more than the 2023 budget.

	2023		(incr)/decr vs '23 bud £'000s	2024	(incr)/decr vs '23 bud £'000s
	Budget £'000s	Forecast £'000s		Budget £'000s	
<u>Gross Expenditure</u>					
Vision & Strategy	2,695	2,688	7	3,024	(329)
Ministry Development	3,870	4,170	(300)	4,614	(744)
Faith & Public Life	2,854	2,674	179	2,680	174
Education & Growing Faith	503	503	0	538	(35)
Safeguarding	5,914	5,536	378	7,300	(1,386)
Emerging Church Programme	4,641	4,592	49	2,105	2,536
Racial Justice Unit	381	833	(452)	859	(477)
Central Secretariat	1,755	2,048	(294)	1,964	(210)
Independent Safeguarding Board	465	755	(290)	685	(220)
CHP + Crockfords	447	453	(6)	436	11
Share of Central Services	6,964	7,101	(137)	7,840	(876)
Accommodation	2,867	1,665	1,202	1,785	1,082
General Other (incl Pensions Deficit, VAT & general provisions)	-274	317	(591)	352	(626)
TOTAL EXPENDITURE	33,080	33,335	(255)	34,181	(1,100)

12. The main year on year budgetary increases are:

- £1.4m in safeguarding. This includes continued expansion of the regional model (£0.9m), depreciation and running costs for the National Safeguarding Casework Management System (NSCMS) from July (£0.4m), additional resources in the Directorate, Development, Casework, Interim Support Scheme and Redress Scheme teams (£0.1m each) offset by the completion of the NSCMS project (£0.4m)
- £0.9m in central services reflecting proposed additional staffing in Finance, HR, Legal and Communications due to increased demand for support from these teams as well as inflationary pressures which are particularly acute in the Technology area
- £0.7m in Ministry Development which includes additional staff resource for the Lay Ministry Development Programme, incumbents' development work and the expansion of the Ministry Experience Scheme to include establishment of a Youth Ministry Experience Scheme. All of this was agreed as part of last year's triennial spending plans discussions
- £0.5m additional expenditure in Racial Justice representing additional resource particularly relating to Education and HR work, in line with agreed triennial spending plans activity.
- an £0.4m increase in irrecoverable VAT (included in General Other) due to lower accommodation costs.

- £0.3m in Vision and Strategy which includes provision for an additional project manager in the Church & Network support team, a strategy advisor in the operational support team, a grants data analyst and an additional 0.5FTE senior consultant post in the diocesan support team.
- £0.2m relating to the Independent Safeguarding Board (ISB). This is mainly due to an expected increase in external legal costs and increasing the staff support team from 1.0 full time equivalent (FTE) posts to 2.2 FTE.
- £0.2m in Central Secretariat, largely due to increased costs of General Synod and College of Bishops meetings including the increased costs of hybrid provision.

13. There are year on year expenditure reductions compared with the 2023 budget in the following areas:

- £2.5m in the Emerging Church Programme which is largely due to the completion of the Accommodation project in 2023. Some additional provision for the Governance project and Simpler Support work is included.
- £1.1m in accommodation (reduced to £0.5m net when lower NCI income and VAT recovery are taken into account)
- £0.2m in Faith and Public Life due to a net reduction of 4.4FTE staff posts. However, most of these posts were either externally funded (Freedom of Religion and Belief and Combating Modern Slavery projects) or had support from the Archbishop of Canterbury's Charitable Foundation (Reimagining care and Families & Households Commissions), thus a consequential £0.3m reduction in income is also budgeted.

Vote 3 – Grants

14. This budget comprises the Church of England’s contributions to the Anglican Communion Office, ecumenical organisations, the Church Urban Fund, the Council’s Legal Costs Fund and other minor grants.
15. Forecast expenditure on Grants in 2023 is £21,000 (1.4%) below the 2023 budget. This is because the inflationary increase provided for the Inter Anglican Budget grant was not required and a small adjustment for minor grants based upon activity in recent years.
16. The Grants budget for 2024 is £1.5m, £2,000 (0.1%) less than the 2023 budget. The budget includes provision for an inflationary increase in the Inter Anglican Budget with all other grants will be held flat at the 2023 forecast level.

	2023		(incr)/decr	2024	(incr)/decr
	Budget	Forecast	vs '23 bud	Budget	vs '23 bud
<u>Gross Expenditure</u>	£'000s	£'000s	£'000s	£'000s	£'000s
Anglican Communion Activities					
Inter Anglican Budget	645	626	19	645	-
Ecumenical Activities					
Churches Together in England	150	150	-	150	-
World Council of Churches (incl Assembly)	123	123	-	123	-
Conference of European Churches	93	93	-	93	-
Churches Together in Britain & Ireland	15	15	-	15	-
Expenses of representatives	20	20	-	20	-
Miscellaneous					
Church Urban Fund	203	203	-	203	-
Legal Costs (incl Legal Aid) Fund	250	250	-	250	-
Minor Grants	22	20	2	20	2
TOTAL	1,521	1,500	21	1,519	2

Vote 4 – Mission Agency Pension Contributions

17. The Council meets pension contributions for clergy serving with the Partnership for World Mission (PWM) mission agencies who are regarded as being “in service” for the purposes of the clergy pension scheme. Forecast expenditure in 2023 is £0.4m: £0.2m (32.1%) less than budget, principally due to the reduction in the contribution rate for the Clergy Pension Scheme from the interim rate of 36.0% of the previous year’s National Minimum Stipend set in April 2022 to 28.0% from the start of 2023 which was announced last September, well after the Council’s 2023 budget had been agreed by the General Synod
18. The 2024 expenditure budget, reflecting this lower contribution rate, is £0.4m, in line with forecast 2023 expenditure. It is forecast that all 2024 expenditure can be met from the Vote 4 reserve with the forecast reserve at the end of 2024 being within its policy range.

Vote 5 – Clergy Retirement Housing

19. This grant supports the clergy retirement housing (CHARM³) scheme operated by the Church of England Pensions Board on behalf of the wider Church.
20. Early last year, in preparation for the 2023 budget, the Council determined that Vote 5 support would be maintained in real terms per property, recognising the need for portfolio growth to meet increasing numbers of retirees seeking housing. The Council therefore agreed that the Vote 5 apportionment should increase by 5% p.a. in 2023-25, based on assumptions at the time.
21. In practice, inflation has been much higher than expected. Together with higher interest rates, this has placed significant strain on the retirement housing service. The cost of servicing the variable rate commercial borrowings (to finance house purchases) has increased markedly, as have maintenance costs. There is also some evidence of the pandemic disrupting clergy retirement patterns, resulting in higher demand in the near term. As a consequence, Vote 5 support has reduced in real terms.
22. Recognising this increased financial strain on the scheme the Council and the Church Commissioners agreed an additional grant earlier this year from triennial funding without increasing apportionment. In co-ordination with which, the Pensions Board would take steps to optimise income, manage costs without compromising core services, realise asset sales where practical, and explore longer term options.
23. The 2024 budget of £6.1m therefore reflects the previously agreed 5% increase in the Vote 5 grant for the clergy retirement housing scheme.

³ Churches Housing Assistance for the Retired Ministry