

GENERAL SYNOD**Archbishops' Council 2025 Budget****Introduction**

1. This paper sets out the Archbishops' Council's planned budget for 2025 for the work supported by Votes 1-5 of the diocesan apportionment. An updated forecast for 2024 is also provided and is compared with the 2024 budget presented to General Synod last July (see GS2309).
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. Since the start of 2023, these latter categories of grants include distributions 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. This includes 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 2025 budget takes account of the spending plans for 2023-25 agreed by the Council and the Church Commissioners and welcomed by the General Synod in 2022 (see GS 2262). The 2025 budget builds on the Transforming Effectiveness changes, as a result of which the Council's operating expenditure is £2.95m p.a. lower than it would have been had these changes not been made.
4. The 2023-25 spending plans 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. This increased contribution enabled the diocesan apportionment to be maintained at the 2022 level in 2023 and 2024 and provided for an inflationary increase in 2025 which the Council has set at 3%. This results in a recommended 2025 apportionment of £32.2m which is estimated to be £9.3m less than it would have been if the 2019 apportionment had been increased annually by CPI.
5. The Council has set the apportionment cap for 2025 at two percentage points. This results in the relatively better resourced dioceses (as determined by the inputs to the formula such as local income levels, diocesan and parish investment income) being asked to increase their apportionment payments up to a maximum of 5% to enable some easement of the apportionment requested from the relatively lesser resourced dioceses. The apportionment increase requested from dioceses ranges between 0.6% and 5% (nine dioceses).
6. The Synod is invited to approve: (i) the Council's expected 2025 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.

2024 forecast and 2025 budget summary

7. The table below summarises forecast income and expenditure in 2024 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 2025. A Vote-by-Vote financial summary is provided in **Annex 1** and more detailed commentary, including a departmental analysis of the operating budget (Vote 2), is provided at **Annex 2**.

	2024		Variance: Forecast'24 vs Budget'24		2025	Variance: Budget '25 vs Budget '24	
	Budget £m	Forecast £m	£m	%	Budget £m	£m	%
Gross expenditure							
Training for Ministry (Vote 1)	15.0	16.9	-1.9	-12.6%	17.4	-2.4	-16.0%
Operating Budget (Vote 2)	34.2	39.9	-5.8	-16.8%	38.2	-4.1	-11.9%
Grants (Vote 3)	1.5	1.5	0.0	-1.5%	1.6	0.0	-2.8%
Mission agency pension cont'n (Vote 4)	0.4	0.5	-0.1	-14.4%	0.5	-0.1	-18.4%
Clergy retirement housing (Vote 5)	6.1	6.1	0.0	0.0%	6.4	-0.3	-5.0%
Total	57.3	65.0	-7.7	-13.5%	64.1	-6.9	-12.0%
Funded by							
Diocesan Apportionment	31.3	31.3	0.0	0.0%	32.2	0.9	3.0%
External Income	2.0	2.3	0.3	13.3%	2.1	0.1	4.6%
Accommodation income (NCI subtenants)	1.1	0.9	-0.2	-15.8%	0.9	-0.1	-11.6%
Church Commissioners	21.4	29.3	7.9	37.0%	27.0	5.6	26.0%
AC Reserves / Other Funds	1.5	1.3	-0.3	-17.8%	2.0	0.4	26.2%
Total	57.3	65.0	7.7	13.5%	64.1	6.9	12.0%

2024 Forecast

8. Forecast expenditure in 2024 is £65.0m, £7.7m (13.5%) above budget. The main changes are forecast overspends of £5.8m in the Operating budget and £1.9m in the Training for Ministry budget due to the inclusion of £2.0m for a new Resourcing Ministerial Formation (RMF) Innovation Fund which provides grants to Theological Education Institutions (TEIs) and dioceses, much of which is focussed on Lay Ministry.
9. Forecast expenditure in the operating budget is £39.9m, £5.8m (16.8%) above budget. The most significant changes in the operating budget are:
- £2.2m for the Finance Transformation Programme (funded from the triennial spending plan) which was not included in the 2024 budget. This work has three strands focused on replacing the finance system, introducing a grants management system and a Pensions Finance Transformation project.
 - Timing differences of £1.7m in the Emerging Church budget for the accommodation project and simpler support to dioceses and parishes work which were included in the 2023 budget but incurred in 2024.

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

2025 Budget

10. The Council's budgeted expenditure in 2025 for areas of activity substantially funded by the diocesan apportionment (Votes 1 – 5) is £64.1m. This is £6.8m (12.0%) above the 2024 budget and £0.9m (1.3%) below the 2024 forecast. It reflects the following key movements (see **Annex 2** for further detail):

- (i) An increase of £2.4m in the Training for Ministry budget due to the inclusion of the second tranche of £2.0m for the Resourcing Ministerial Formation (RMF) Innovation Fund, an increase of £0.5m in grants for ordinands (due to inflation offset by a forecast reduction in ordinand numbers from 940 to 885), partially offset by a £0.1m reduction in university fees due to the expected lower number of ordinands.
- (ii) An increase of £4.1m in the Operating Budget. The largest increase is £2.0m in the Ministry Development Team reflecting the establishment of an Incumbent Development Programme and the expansion of nationally supported work for Lay Ministry and Senior Leadership Development, provision for which was made in the 2023-25 spending plans. The budget includes increased resource for safeguarding, the largest element of which is for the regional model rollout, shared services (including increased costs of cyber security and insurance) and the Finance Transformation Programme.

There is also a reduction of £0.8m in the general category, principally due to the completion of the deficit recovery plan for the staff pension scheme.
- (iii) An increase of £42,000 in the grants budget to enable a 3% increase in the grant to the Inter Anglican budget and to aid discussions on whether modest increases should be made to the grants to some of the ecumenical instruments for which the Council makes the Church of England's contribution, recognising that these grants have not changed recently.
- (iv) An increase of £78,000 (+18.4%) in the Mission Agency Pension Contributions budget. This reflects an increase in number of qualifying clergy (serving with mission agencies in the Partnership for World Mission).
- (v) An increase of £0.3m for the agreed 5% increase in the Clergy Retirement Housing grant in line with the plan for 2023-25. However, given the financial challenges arising from a period of high inflation (especially in relation to maintenance costs); increased interest rates, significantly increasing demand and more stringent regulation, a grant was made earlier this year from triennial funding to support near term cost pressures on the clergy retirement housing scheme without a larger call on apportionment.

Funding the 2025 budget

11. Budgeted income in 2025 comprises:

- (i) Diocesan apportionment of £32.2m, 3.0% above the 2024 level. The 2025 apportionment is £0.8m (2.4%) below the 2019 level. Assuming a CPI increase of 2.1% this year (in line with the most recent HM Treasury aggregation of economists' forecasts) this is equivalent to a real terms reduction of around 25% since 2019.

- (ii) Church Commissioners' grant funding of £27.0m - £5.6m more than in 2024. This incorporates £17.0m of general support for the operating budget, £7.8m of specific support for safeguarding (including work on independence) and £1.6m of specific support for Training for Ministry and £0.6m for the Finance Transformation Project.
 - (iii) External income of £2.1m - £0.1m more than 2024. This includes a reclaim of £1.0m of Resourcing Ministerial Education (RME) surpluses from dioceses into the Training for Ministry Fund which arose as ordination training costs were less than the age related grants paid from the Training for Ministry Fund
 - (iv) Accommodation income of £0.9m is £0.1m less than the 2024 budget to reflect the final figures following the agreement of the new Church House lease. (The Council is the lead tenant and thus recharges other NCI subtenants.)
 - (v) A net draw of £2.0m from Restricted / Designated funds. This comprises an estimated draw of £1.4m from the Church and Community Fund² and £0.6m in respect of depreciation for the National Safeguarding Casework Management System from the relevant designated fund.
12. The diocesan apportionment is expected to fund 50% of the costs of expenditure in Votes 1-5 in 2025 with the Church Commissioners funding 42% of this expenditure.
 13. The calculation for the recommended apportionment to be requested from individual dioceses uses the most recently available input data and the cap of two percentage points set by the Council. This results in the relatively better resourced dioceses (as determined by the inputs to the formula such as local income levels, diocesan and parish investment income) being asked to increase their apportionment payments up to a maximum of 5%. This enables some easement of the apportionment requested from the relatively lesser resourced dioceses as a form of mutual support.
 14. In 2025 the apportionment requested from nine dioceses has been capped at the maximum level of 5% compared with eleven in 2024. The apportionment requested from the Diocese in Europe, the Armed Forces chaplaincies and the Channel Island Deaneries will be increased by 3%. This results in 24 dioceses being asked for an increase of less than the overall 3% figure.
 15. 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**.

² £0.4m for Interim Support Scheme grants (assumed to be at a lower level than currently once the National Redress Scheme is launched), £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 £1.0m.

Reserves

16. 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.

17. The table below shows the forecast level of these reserves to end 2025. It takes account of decisions made by the Council with the intention of bringing the specific reserves held for each of the five votes to within the policy range of between one and three months' budgeted expenditure by the end of 2024, or in the case of Training for Ministry to make provision for an increase in ordinand numbers, by the end of 2025.

	Actual 1 Jan 2024 £'000s	Forecast Increase / (Decrease) Jan-Dec 2024 £'000s	Thus end Dec 2024 £'000s	2024 Policy levels		Budget Increase / (Decrease) Jan-Dec 2025 £'000s	Thus end Dec 2025 £'000s	2025 Policy levels	
				Min £000s	Max £000s			Min £000s	Max £000s
Training for ministry - Vote 1	4,222	-	4,222	1,250	3,750	-	4,222	1,449	4,348
Operating Budget (Unrestricted) - Vote 2	2,784	547	3,331	2,848	8,545	-	3,331	3,187	9,561
Grants - Vote 3	299	(23)	276	127	380	-	276	130	390
Mission agencies pension contributions - Vote 4	379	(308)	71	36	107	-	71	42	126
Clergy retirement housing - Vote 5 (including CHARM Designated Fund)	922	-	922	511	1,534	-	922	537	1,611
Total	8,607	216	8,823	4,772	14,315	-	8,822	5,345	16,036
				Min 1mths / Max 3 mths budget expenditure				Min 1mths / Max 3 mths budget expenditure	
<u>AC Funds with wide purposes</u>	Actual 1 Jan 2024 £'000s	Forecast Increase / (Decrease) Jan-Dec'24 £'000s	Thus end Dec 2024 £'000s			Budget Increase / (Decrease) Jan-Dec '25 £'000s	Thus end Dec 2025 £'000s		
Church & Community Fund (CCF)	17,354	(1,783)	15,571	takes no account of investment returns, which would also impact on fund balances across 2024- 2025		(1,433)	14,137		
Special Purposes Fund	2,399	-	2,399			-	2,399		
Unrestricted Legacies	718	(300)	418			-	418		

Summary

18. The Synod is invited to:

- take note of this report
- approve the Archbishops' Council's expenditure for the year 2025 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 2025, and
 - (b) the pooling adjustment for 2025 in respect of additional maintenance grants for ordinands.

Carl Hughes, Archbishops' Council Finance Committee Chairman

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2025 Table of Apportionment

Diocese	Training for Ministry	National Church Responsibilities	Grants & Provisions	Inter-diocesan support of Mission Agency clergy pension contributions	CHARM	Apportionment 2025	% change 2025 on 2024	Pooling 2023/24	Total Apportionment post pooling 2025
	Vote 1 £	Vote 2 £	Vote 3 £	Vote 4 £	Vote 5 £	£	%	£	£
Bath & Wells	384,581	229,685	40,476	13,096	167,347	835,185	1.3	155,300	990,485
Birmingham	194,634	116,242	20,485	6,628	84,693	422,682	5.0	(56,176)	366,506
Blackburn	298,729	178,411	31,441	10,172	129,989	648,742	2.2	6,424	655,166
Bristol	223,960	133,757	23,571	7,626	97,454	486,368	2.3	28,936	515,304
Canterbury	243,204	145,250	25,597	8,281	105,828	528,160	5.0	(24,727)	503,433
Carlisle	212,935	127,172	22,411	7,251	92,657	462,426	3.0	72,758	535,184
Chelmsford	561,333	335,248	59,079	19,114	244,258	1,219,032	3.6	134,191	1,353,223
Chester	479,893	286,609	50,508	16,341	208,821	1,042,172	2.1	171,258	1,213,430
Chichester	629,811	376,145	66,286	21,445	274,057	1,367,744	2.7	130,680	1,498,424
Coventry	239,384	142,968	25,195	8,151	104,166	519,864	5.0	(37,113)	482,751
Derby	218,650	130,586	23,013	7,445	95,144	474,838	5.0	(20,750)	454,088
Durham	221,316	132,178	23,293	7,536	96,304	480,627	1.8	(24,355)	456,272
Ely	286,235	170,950	30,126	9,747	124,553	621,611	5.0	5,750	627,361
Exeter	348,696	208,253	36,700	11,874	151,732	757,255	3.1	31,664	788,919
Gloucester	304,754	182,010	32,075	10,377	132,611	661,827	2.1	(6,824)	655,003
Guildford	514,241	307,123	54,123	17,511	223,766	1,116,764	3.0	99,346	1,216,110
Hereford	169,216	101,061	17,810	5,762	73,633	367,482	2.2	41,848	409,330
Leicester	200,907	119,989	21,145	6,841	87,423	436,305	4.9	1,149	437,454
Lichfield	430,055	256,844	45,262	14,644	187,135	933,940	2.5	161,877	1,095,817
Lincoln	295,020	176,196	31,050	10,046	128,375	640,687	0.6	107,644	748,331
Liverpool	274,129	163,720	28,852	9,335	119,285	595,321	1.4	(152,517)	442,804
London	1,428,338	853,055	150,330	48,637	621,529	3,101,889	5.0	(917,076)	2,184,813
Manchester	326,572	195,040	34,371	11,120	142,105	709,208	0.7	(98,101)	611,107
Newcastle	170,685	101,939	17,964	5,812	74,272	370,672	2.2	(3,224)	367,448
Norwich	252,229	150,640	26,547	8,589	109,755	547,760	3.5	98,927	646,687
Oxford	940,743	561,845	99,011	32,034	409,356	2,042,989	3.9	(40,306)	2,002,683
Peterborough	273,948	163,611	28,832	9,328	119,206	594,925	0.7	16,549	611,474
Portsmouth	190,597	113,831	20,060	6,490	82,936	413,914	5.0	(132,278)	281,636
Rochester	408,329	243,869	42,976	13,904	177,681	886,759	2.9	(3,848)	882,911
St Albans	539,045	321,937	56,733	18,355	234,560	1,170,630	2.6	43,893	1,214,523
St Eds & Ips	244,560	146,060	25,739	8,328	106,418	531,105	1.1	87,934	619,039
Salisbury	442,589	264,329	46,582	15,071	192,588	961,159	1.4	86,100	1,047,259
Sheffield	187,488	111,975	19,733	6,384	81,584	407,164	2.5	(37,622)	369,542
Sodor & Man	34,355	20,518	3,616	1,170	14,949	74,608	5.0	15,173	89,781
Southwark	769,243	459,419	80,961	26,194	334,729	1,670,546	5.0	156,727	1,827,273
Southwell & Nottingham	210,108	125,484	22,113	7,155	91,427	456,287	2.1	(53,871)	402,416
Truro	160,188	95,670	16,859	5,455	69,704	347,876	3.9	51,654	399,530
Winchester	355,133	212,097	37,377	12,093	154,566	771,266	0.7	(69,185)	702,081
Worcester	209,676	125,226	22,068	7,140	91,238	455,348	1.0	65,195	520,543
York	351,979	210,214	37,045	11,985	153,161	764,384	3.0	53,561	817,945
Europe	31,124	18,588	3,276	1,060	13,526	67,574	3.0	(120,797)	(53,223)
Leeds	491,358	293,456	51,715	16,732	213,810	1,067,071	1.6	29,261	1,096,332
Armed Forces	18,468	11,030	1,944	629	-	32,071	3.0		32,071
Guernsey	26,305	15,710	2,769	896	11,432	57,112	3.0		57,112
Jersey	33,480	19,995	3,524	1,140	14,550	72,689	3.0		72,689
Life assurance								(55,029)	(55,029)
Totals	14,828,223	8,855,936	1,560,642	504,924	6,444,313	32,194,038	3.0	0	32,194,038

Vote-by-Vote financial summary

Summary by Vote		2024				2025		
		Budget		Forecast		Budget		variance vs '24 Budget
		£'000s	£'000s	£'000s	%	£'000s	£'000s	%
Training for Ministry	External Income (incl bank interest + funds revaluation)		-1,000	1,000		-1,000	1,000	
	Income (from Church Commissioners)	-222	-1,118	896		-1,564	1,341	
	Expenditure	14,998	16,894	-1,896	-12.6%	17,392	-2,394	-16.0%
	Net Expenditure	14,776	14,776	-		14,828	-53	
	Funded via:							
V1	Dioceses via Apportionment	14,776	14,776	-	-	14,828	-53	-0.4%
	V1 Reserves: (to) / from	-	-	-		-		
Operating Budget	External Income (incl bank interest + funds revaluation)	-2,014	-1,281	-733		-1,106	-908	
	Accommodation Income (NCIs subtenants)	-1,055	-888	-167		-932	-123	
	Income (from Church Commissioners)	-21,164	-28,180	7,016		-25,391	4,227	
	Expenditure	34,181	39,936	-5,755	-16.8%	38,243	-4,062	-11.9%
	Net Expenditure	9,947	9,586	361		10,812	-865	
	Funded via:							
	AC Rest/Des Funds Transfers	1,550	1,309	241		1,956	-406	
V2	Dioceses via Apportionment	8,825	8,825	-	-	8,856	-31	-0.4%
	V2 Reserves: (to) / from	-427	-547	120		-	-427	
Grants	External Income (incl bank interest + funds revaluation)							
	Expenditure	1,519	1,542	-23	-1.5%	1,561	-42	-2.8%
	Net Expenditure	1,519	1,542	-23		1,561	-42	
	Funded via:							
V3	Dioceses via Apportionment	1,519	1,519	-	-	1,561	-42	-2.8%
	V3 Reserves: (to) / from	-	23	-23		-	-	
Mission Agency Pension	External Income (incl bank interest + funds revaluation)							
	Expenditure	427	488	-61	-14.4%	505	-78	-18.4%
	Net Expenditure	427	488	-61		505	-78	
	Funded via:							
	AC Rest/Des Funds Transfers		180	-180				
V4	Dioceses via Apportionment	-	-	-	n/a	505	-505	n/a
	V4 Reserves: (to) / from	427	308	119		-	427	
CHARM	External Income (incl bank interest + funds revaluation)							
	Expenditure	6,137	6,137	-	0.0%	6,444	-307	-5.0%
	Net Expenditure	6,137	6,137	-		6,444	-307	
	Funded via:							
V5	Dioceses via Apportionment	6,137	6,137	-	0.0%	6,444	-307	-5.0%
	V5 Reserves: (to) / from	-	-	-		-	-	
TOTAL	External Income (incl bank interest + funds revaluation)	-2,014	-2,281	267		-2,106	92	
	Accommodation Income (NCIs subtenants)	-1,055	-888	-167		-932	-123	
	Income (from Church Commissioners)	-21,387	-29,299	7,912		-26,955	5,568	
	Expenditure	57,261	64,997	-7,736	-13.5%	64,144	-6,883	-12.0%
	Net Expenditure	32,806	32,529	277		34,151	-1,345	
	Funded via:							
	AC Rest/Des Funds Transfers	1,550	1,489	61		1,956	-406	
	Dioceses via Apportionment	31,256	31,256	-	0.0%	32,194	-938	-3.0%
Reserves: (to) / from	-	-216	216		-	-		

Additional commentary

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 ordinand and family maintenance grants which are made by dioceses (see next section).
2. The 2025 budget for Training for Ministry provides for 885 ordinands for the 2024/25 academic year compared with 940 in 2023/24. This assumes there will be 355 new starters in Autumn 2024, which is the same number as in Autumn 2023 but 224 below the recent peak of 579 reached in autumn 2020 when the total number of ordinands reached 1,373. The actual and forecast number of new starters, leavers and ordinands (FTE) in recent years is shown in the table below:

BUDGET 2025	ORDINAND STARTERS TO TRAINING			ORDINANDS IN TRAINING			Leavers at end of year + withdrawals
	Academic Year	Starters	Year-on-Year Increase (%)	Cumulative Increase (%)	Total in Training	Year-on-Year Increase (%)	
	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%
	2019/20	545	-7.2%	14.5%	1365	1.0%	15.6%
	2020/21	579	6.2%	21.6%	1373	0.6%	16.3%
	2021/22	478	-17.4%	0.4%	1275	-7.1%	8.0%
	2022/23	380	-20.5%	-20.2%	1100	-13.7%	-6.9%
	2023/24	355	-6.6%	-25.4%	940	-14.5%	-20.4%
	2024/25 (f/cast)	355	0.0%	-25.4%	885	-5.9%	-25.1%
	2025/26 (f/cast)	332	-6.5%	-30.3%	885	0.0%	-25.1%

3. The Resourcing Ministerial Education (RMF) funding formula provided some financial protection to TEIs in the event of lower ordinand numbers. Further mitigation was provided by increasing tuition fees (i) 9.2% from September 2023 (in line with 2022 CPIH inflation) rather than the 3% increase in tuition costs and 5% for allowances built into the 2024 budget and (ii) by 4.2% from April 2024 (in line with 2023 CPIH inflation). The Council continues to monitor closely the financial contexts for TEIs. It is working with TEIs and accountancy firm BDO on a “TEI Finances review” which will provide further information on the financial situation, challenges and opportunities for the sector.

Pooling

4. The total of eligible estimated diocesan expenditure on maintenance of ordinands for the academic year 2023/24 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. 2022/23).

5. Poolable expenditure in the 2023/24 academic year (including the adjustment in respect of the previous academic year) was £6.5m (including an adjustment of £0.3m in respect of the previous academic year) compared with £7.0m in 2022/23 (when the adjustment was minimal). £0.5m of grants paid by dioceses (£0.5m in 2022/23) were not eligible for pooling.
6. As part of the spending plans for the 2020-22 and 2023-25 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. Given the reduction in the level of ordinand maintenance costs arising from the lower number of ordinands, this arrangement results in no grant from the Commissioners towards ordinands' maintenance grants in 2025 compared with £0.1m in 2024.

Pooling of Ordinands' maintenance grants 1.9.2023 to 31.8.2024

	a	b	d	e	f	g	h	i	j
DIOCESE	23/24 Estimate	23/24 Single Cap Adj	23/24 Estimate Poolable Spend	Prior year (22/23) adjustment	23/24 Total poolable spend	2025 Apport %	2025 Apportioned pooling amount	2025 Apport. (refund) or additional payment	2024 (refund) or payment
			(a+b)		(d+e)		(g*Σf)	(h-f)	
Bath and Wells	15,048	(6,639)	8,409	6,136	14,546	2.60%	169,845	155,300	27,535
Birmingham	146,378	(7,365)	139,013	3,121	142,134	1.32%	85,958	(56,176)	(66,211)
Blackburn	126,309	0	126,309	(804)	125,506	2.02%	131,930	6,424	(7,322)
Bristol	69,244	0	69,244	729	69,973	1.52%	98,909	28,936	48,953
Canterbury	132,135	0	132,135	0	132,135	1.65%	107,408	(24,727)	15,736
Carlisle	21,282	0	21,282	0	21,282	1.44%	94,040	72,758	69,689
Chelmsford	141,228	(8,121)	133,107	(19,392)	113,715	3.80%	247,906	134,191	62,534
Chester	55,622	(12,212)	43,410	(2,729)	40,681	3.25%	211,939	171,258	138,399
Chichester	165,302	(3,627)	161,675	(14,206)	147,469	4.26%	278,149	130,680	107,933
Coventry	140,512	0	140,512	2,322	142,834	1.62%	105,721	(37,113)	(3,008)
Derby	94,380	0	94,380	22,934	117,314	1.48%	96,564	(20,750)	32,410
Durham	134,487	(18,211)	116,276	5,821	122,097	1.50%	97,742	(24,355)	(78,378)
Ely	123,938	(6,301)	117,637	3,025	120,662	1.94%	126,412	5,750	(11,676)
Exeter	111,317	23	111,340	10,993	122,333	2.36%	153,997	31,664	73,263
Gloucester	141,850	(2,080)	139,770	1,645	141,415	2.06%	134,591	(6,824)	(36,687)
Guildford	141,476	(1,657)	139,819	(12,056)	127,763	3.48%	227,108	99,346	137,692
Hereford	34,680	(1,796)	32,884	0	32,884	1.15%	74,732	41,848	49,019
Leicester	91,363	(9,439)	81,923	5,656	87,580	1.36%	88,728	1,149	30,486
Lichfield	14,544	(4,707)	9,837	18,215	28,052	2.91%	189,929	161,877	136,366
Lincoln	23,065	0	23,065	(417)	22,648	2.00%	130,292	107,644	120,973
Liverpool	276,810	(19,043)	257,767	15,816	273,583	1.85%	121,066	(152,517)	(261,170)
London	1,476,366	(130,156)	1,346,210	201,674	1,547,884	9.66%	630,809	(917,075)	(1,154,034)
Manchester	278,943	(39,313)	239,630	2,698	242,327	2.21%	144,226	(98,101)	(69,669)
Newcastle	82,321	(4,040)	78,281	324	78,605	1.15%	75,381	(3,224)	13,897
Norwich	12,467	0	12,467	0	12,467	1.71%	111,394	98,927	99,385
Oxford	454,277	(25,670)	428,607	27,166	455,773	6.37%	415,468	(40,305)	(23,044)
Peterborough	142,291	(5,792)	136,499	(32,063)	104,436	1.85%	120,986	16,549	9,501
Portsmouth	164,454	(12,821)	151,633	64,820	216,453	1.29%	84,175	(132,278)	(18,460)
Rochester	176,453	(4,338)	172,115	12,067	184,182	2.76%	180,334	(3,848)	76,302
St Albans	200,142	(13,068)	187,074	7,096	194,170	3.65%	238,063	43,893	66,442
St Edmundsbury & Ipswich	40,600	(18,777)	21,824	(1,750)	20,073	1.65%	108,007	87,934	84,225
Salisbury	109,364	0	109,364	(0)	109,364	2.99%	195,464	86,100	58,986
Sheffield	131,819	(12,317)	119,502	922	120,424	1.27%	82,802	(37,622)	(69,769)
Sodor and Man	0	0	0	0	0	0.23%	15,173	15,173	15,617
Southwark	213,193	(37,036)	176,158	6,842	182,999	5.21%	339,727	156,728	201,332
Southwell & Nottingham	164,567	(3,916)	160,651	(13,988)	146,663	1.42%	92,792	(53,871)	(14,709)
Truro	21,346	0	21,346	(2,255)	19,091	1.08%	70,745	51,654	44,956
Winchester	249,418	(7,242)	242,176	10,252	252,429	2.81%	183,243	(69,185)	(100,937)
Worcester	26,898	0	26,898	508	27,406	1.42%	92,601	65,195	50,617
York	104,186	(4,297)	99,889	1,998	101,887	2.38%	155,447	53,561	54,692
Leeds	190,102	0	190,102	(2,361)	187,741	3.32%	217,003	29,261	94,041
Europe	184,889	(66,760)	118,129	2,668	120,797	0%	0	(120,797)	(64,844)
Armed Forces pooling	0	0	0	0	0	0%	0	0	0
Life Assurance	55,000	0	55,000	29	55,029	-	0	(55,029)	(54,966)
In-year correction*						-	0	0	0
TOTAL	6,680,065	(486,715)	6,193,350	333,455	6,526,805	0	6,526,805	0	(113,903)

Vote 2 – National Church Responsibilities (Operating Budget)

2024 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 2024 is £39.9m. This is £5.8m (16.8%) above the 2024 budget.
9. The most significant forecast additional expenditures are:
 - Unbudgeted costs of £3.1m (£2.2m for the Finance Transformation Programme which is funded from the triennial spending plan, £0.5m for Diocesan & TEIs Finance Reviews, and £0.4m for Living in Love and Faith).
 - Timing differences of £1.7m in the Emerging Church budget for the accommodation project and simpler support to dioceses and parishes work. Such costs were originally budgeted to be incurred in 2023 but these are now forecast to be incurred in 2024.
 - £0.5m for Shared Services costs (£0.3m for one off support for the National Society's increased share, additional resource for Finance and Technology and further inflationary pressure on insurance and certain technology costs (e.g. Cyber security planning and protection).
 - £0.5m for Safeguarding including detailed Redress Scheme design work by Kennedys Law.
 - £0.4m in the Ministry Development Team including £0.2m for the Incumbent Development Programme and £0.1m for the Developing Lay Ministry Programme, both of which are funded from within the triennial spending plan).
10. The most significant saving is £0.7m in the general category which is due to deficit recovery contributions for the staff pension scheme (this was closed to new entrants in 2006) ceasing at the end of 2023 whereas the budget provided for these contributions to continue until the end of 2024.
11. The budget reflects the transfer of the teams dedicated to theological work and Living in Love and Faith from the Office of the Archbishops to the Council, the establishment of small teams within the Faith and Public Life team to work on housing and disability and the expected end of the work addressing the issue of modern slavery due to the cessation of external funding.

2025 budget

12. The budget for operating expenditure in 2025 is £38.2m. This is £4.1m (3.3%) more than the 2024 budget but £1.7m (4.2%) below the 2024 forecast.

<u>Gross Expenditure</u>	2024		(incr)/decr	2025	(incr)/decr
	Budget	Forecast	vs '24 bud	Budget	vs '24 bud
	£'000s	£'000s	£'000s	£'000s	£'000s
Vision & Strategy	3,024	3,047	(23)	3,162	(138)
Ministry Development	4,614	4,968	(355)	6,567	(1,953)
Faith & Public Life	2,680	2,627	54	2,464	216
Education & Growing Faith	538	427	111	545	(7)
Safeguarding	7,300	7,784	(485)	7,981	(681)
Safeguarding Independence	685	922	(237)	950	(265)
Emerging Church Programme	2,105	3,815	(1,711)	2,113	(8)
Racial Justice Unit	859	861	(3)	887	(29)
Central Secretariat	1,964	2,095	(131)	2,167	(202)
Living in Love & Faith	-	425	(425)	284	(284)
CHP + Crockfords	436	437	(1)	450	(15)
Share of Central Services (excl FTP)	7,840	8,364	(524)	8,653	(813)
Finance Transformation Project (FTP)	-	2,224	(2,224)	577	(577)
Diocesan + TEIs Financial Reviews	-	492	(492)	-	-
Accommodation	1,785	1,790	(5)	1,879	(94)
General Other (incl Pensions Deficit, VAT & general provisions)	352	(344)	696	(436)	788
TOTAL EXPENDITURE	34,181	39,936	(5,755)	38,243	(4,062)

13. The main year on year budgetary increases are:

- £2.0m in the Ministry Development Team (mainly £1.0m for the Incumbent Development Programme, £0.5m for developing the Lay Ministry Strategy and £0.3m for the Senior Leadership Development Programme all of which were included in the triennium spending plans).
- £0.8m towards Shared Services costs (reflecting new posts in the Technology, Communications and Data Services teams, and the full year of committed cost increases on cyber security and insurance).
- £0.7m for Safeguarding (mainly the planned additional £0.5m for the regional model roll out and £0.1m for Kennedys Law Redress work prior to an assumed scheme launch date of March 2025).
- £0.6m for the Finance Transformation Programme (including depreciation cost of the new grant management system forecast to be operational at the start of 2025).
- £0.3m as provision for independent safeguarding resource.
- £0.3m for Living in Love & Faith work (budgeted in the Office of the Archbishops in 2024).

14. Partially offsetting these increases is a reduction of £0.8m in the general category, principally due to the completion of the deficit recovery plan for the staff pension scheme.