



National Church Governance Measure

GS 2360P - Supporting Policy



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Message from the Chair

When I addressed Synod in July 2023, presenting our proposals, set out in GS 2307, for a change of governance and of culture for the National Church bodies, I spoke about historic failures in National Church governance and a system of onerous bureaucracy that needed urgent reform.

General Synod overwhelmingly welcomed our proposals for reform, and we committed to introducing legislation to give effect to the proposals by February 2024 of this year. The Archbishops' Council's decision to delay the introduction of legislation, as it began to consider the findings of the Wilkinson and Jay Reviews, has enabled us to improve significantly the draft before you, to consult on the detail with the existing trustee bodies affected and to properly consider some of the wider implications. In introducing this draft legislation, we can now take forward the clear will of Synod to effect change in the structures, and encourage a change in culture, so that the National Church bodies can be seen to be properly exercising their roles to serve and support the mission and ministry of the Church in diocese, parish, chaplaincy and cathedral.

In drafting the legislation, the staff team and the National Church Governance Programme Board (NCGPB) has worked hard to ensure that the recommendations in GS 2307, as approved in their amended form by Synod, are properly reflected in the legislation and that we have not diverged from the reforms welcomed by Synod. We have sought external assurance that the proposals are aligned to best practice in charitable governance and confirmed tax implications to ensure that the process of reform and the transition to new governance structures does not inadvertently expose the Church to additional liabilities.

We have reaffirmed the importance of the leadership of Bishops within an episcopal church and taken forward recommendations that build a new way of working between Synod and the National Church Institutions, which respects the governance role of the charities which serve the Church, whilst providing appropriate scrutiny of their work and decisions. In all this we believe that trust can be rebuilt where it has been lost and we can develop a culture of openness and transparency.

Drafting legislation, and the subsequent detailed work of revision, is a process I know only too well. I look forward to seeing the detailed comments of members to further improve the work we have done. But I urge members not to seek the comfort of the status quo, since the ongoing failures on governance are neither comfortable nor sustainable. The changes we have proposed, are drawn tightly from the proposals you welcomed last year and present a real opportunity to bring transparency and openness to the National Church bodies, so they can better serve, support, encourage and enable the mission and ministry of the local Church.

I am delighted that I can now fulfil my commitment to Synod in bringing this legislation to you.

Rt Hon Sir David Lidington

May 2024

Message from the Bishop of Guildford (Episcopal Lead)

I am delighted to commend this Supporting Policy document. The paper presented here stands alongside the draft legislation set out in GS 2360 and the explanatory memorandum set out in GS 2360X. This document is rather more substantive than sometimes would be expected by Synod to support the introduction of draft legislation. We have sought to set out the specific recommendations which Synod welcomed in GS 2307 and how these key changes have been developed to shape both the legislation and the transition in culture which will be needed for its successful implementation. The changes are significant and need to be considered as a package of governance reforms.

The tables throughout this document provide brief summaries of the proposed change, link the text directly back to GS 2307 and to the draft legislation before the Synod. This format is intended to assist Members in both reading the legislative draft and in bringing forward proposals for revision where they believe our work could be tightened or improved further. In this work the NCGPB has expanded on the proposals set out in GS 2307 to include a greater degree of granularity about how the charities might operate in practice. This includes indicative committee structures, and we would ask that members resist the temptation to want to set everything in the legislation and remove the adaptability and flexibility which will enable the charities to flourish. Equally, we hope that we have set enough in a statutory framework to provide comfort that the charities will properly act to support and serve the breadth of the Church of England within the leadership provided by the Bishops and the General Synod.

The theological foundations of what is laid out here take the 'Bishops-in-Synod' as our basic locus of decision-making, whilst recognising too the key role of other stakeholders to encourage wise and informed decision-making. We have also drawn on the experience of other national charities in the spirit of the 'wisdom' literature in the Bible, recognising that there is a place for attending to the experience of those outside of the Church in our commitment to becoming simpler, humbler and bolder.

These proposals will not in themselves create a culture of greater trust, but I firmly believe that they will encourage that culture, by contributing the clarity, transparency and accountability which has sometimes been absent in the past. I would ask that in considering the overall package before you, Members are not tempted to pull on particular threads so strongly as to unravel the detailed and careful work which has been done, but rather to help us tie in the remaining loose strands, so that the tapestry of governance we are shaping can be more clearly seen and understood.

Rt Revd Andrew Watson
May 2024

National Church Governance

1. The first recommendation in GS 2307 spoke of the need to continue to develop the culture strand of the governance work, which was seen as paramount to restoring trust and to building an open and diverse culture, where generous behaviours are role modelled in all areas of our work.
2. The recommendation reflects the reality that governance is not just about structures, rather it is our people (trustees, staff, Synod Members), who set the tone and culture of an organisation and who model the good (or bad) behaviours that shape its governance. Creating a collegial culture across the National Church, that builds on the values and behaviours work the National Church Institutions (NCIs) have already developed, is essential for the success of this change programme.
3. GS 2307 recognised that there are many different models which describe culture and its components. It adopted one which included three determinants of culture: architecture, leadership, and behaviour. Although the work in bringing this legislation to Synod has necessarily focused on the proposed governance structure, a great deal of time has been spent thinking about how we lead and behave within the proposed future state and the positive impact that might have on culture. The Programme Board believes that greater transparency, openness, and accountability, coupled with a greater understanding of the purpose of each NCI and where decisions are taken will improve levels of trust in the National Church. Simpler structures that better serve, support, encourage and enable the work of the wider Church will also help to build confidence in the National Church. The Bishop of St Edmundsbury and Ipswich will present a paper on trust at the July 2024 Synod which develops these themes and will support this work should it be approved and implemented.
4. The Charity Governance Code includes seven principles of good governance: organisational purpose, leadership, integrity, decision-making, board effectiveness, equality, diversity and inclusion, and openness and accountability. At the heart of these principles are people. The way we behave and work together within the new governance structure, will help to shape a renewed culture, one which is reflective of Christian virtues and values, where gifts and grace, challenge and blessing might flow into as well as from the Church.



An Episcopal Church – Leadership and Collaboration

5. The Church of England is an episcopally led church, one in which episcopal leadership is undertaken in consultation with fellow clergy and laity. Bishops are called to gather and lead the discernment and decision-making of the whole people of God. Taking counsel as a principle in reaching decisions is seen through synodical process where the skills and judgement of the whole people of God may be brought to bear on the issues and challenges of the day. GS 2307 restated this description of the polity of the Church, recognising the leadership role of bishops in making national policy decisions. There remains, a need to formalise how the NCIs, the House and the College of Bishops and the General Synod interface on these matters but at a high-level the Programme Board believes that the Bishops-in-Synod are accountable for the following:

Decision	Accountability (Paragraphs 12-13 GS 2307)
Vision and Strategy	The bishops are responsible for setting out a future Vision for the Church of England supported by broad strategic principles. This is a process that requires consultation with a wide range of stakeholders from across the Church. Such a vision statement should be endorsed by the General Synod.
Doctrine and Worship	It is a duty of bishops to teach the Doctrine of the Church and the bishops have a responsibility for doctrinal and liturgical matters. Where certain provisions touch on these matters, they must be referred to the House of Bishops before being finally approved by the General Synod.
Ministry	Bishops are responsible for setting the direction of policy relating to Mission and Ministry. There would be an Episcopal Lead for Ministry who shall be supported by a group of bishops. The Ministry Development Committee would oversee the work of policy development and ongoing support for ministry development.
Public Policy Direction	The bishops are responsible for leading on public policy direction but shall do so in consultation with a wide range of stakeholders from across the Church.

6. GS 2307 recommended that the House (the Bishops-in-Synod) should continue to agree national policy direction. It recognised that over the past few years, the College of Bishops has been increasingly involved in national level decision-making. The Programme Board agrees that the College needs to be properly consulted and engaged with on major issues concerning the national life and future of the Church, but that without synodical change (which is outside the scope of this review), the formal decisions cannot be delegated to the wider group and will continue to rest with the Bishops-in-Synod.



7. Lead Bishops with responsibility for national policy need to be well supported by the NCIs. GS 2307 recommended that where Lead Bishops are responsible for core work or areas of strategic focus, it should be the norm for the bishop to be assisted in their work by a group of bishops and others, who would provide a sounding boarding on key policy matters, chair time-limited project groups and provide for smooth succession-planning when the Lead Bishop steps down.
8. Whilst the bishops elected as trustees of the respective NCIs do not act as delegates, they do have a significant and important role in ensuring the governance of the national bodies is communicated to the House and College. There would be an expectation that, as a matter of good governance, they would provide the House of Bishops with regular updates on the work of their NCI and the specific risks and opportunities that organisation faces. Good communication and open feedback would serve to build trust and enable the wider diocesan voice to be heard within the deliberation of the NCIs.

Scrutiny

9. Throughout this process a criticism of the National Church governance structures has been a lack of openness and accountability. In a large and complex organisation, it is easy to see how this situation might arise. GS 2307 proposed some mechanisms to make accountability real, through positive dialogue that both celebrates successes and demonstrates willingness to learn from mistakes, and helps to build trust and confidence and earn legitimacy.
10. Currently the General Synod has a range of powers of oversight and scrutiny, which could be put to better effect, amongst which, at a headline level, are:
 - a) **Financial control** – the annual budgets and core apportionments for the funding of the Archbishops' Council are subject to the approval of the Synod;
 - b) **Consideration of annual reports** – the annual reports of the three core NCI trustee bodies must be laid before the Synod and are considered in presentation and questions, or in debate;
 - c) **Questions** – the key trustee bodies and principal committees (including the House of Bishops) can be questioned on matters of fact; and
 - d) **Approval of appointments** – the six appointed trustee members of the Archbishops' Council, the Council's chief executive (the Secretary General) and the Clerk to the Synod, are brought to Synod for its approval.
11. Since the July 2023 Synod, considerable work has been undertaken to develop a framework for synodical scrutiny. The proposals presented here are designed to enhance the Synod's understanding of the NCIs, to learn lessons and to foster trust and confidence. The solution presented here is a pragmatic one, that does not create a significant administrative burden, but does need to be employed responsibly and respectfully if it is to improve our governance and culture.



12. The Bishop of Leeds reflected in the July 2023 debate that ‘trust is a choice’. Members of Synod may not agree with every decision made by the NCIs but should trust that our trustees – most of whom are volunteers, many of whom are elected by the Synod – are exercising their trustee responsibilities properly, with due diligence and seeking to act in the best interests of the charity.
13. GS 2307 confirmed that there was no intention to dilute the current scrutiny powers of the General Synod upon the establishment of Church of England National Services (CENS) but recognised that there was the need to enhance these powers through the creation of a Synodical Scrutiny Committee that would serve to foster a culture of greater accountability, transparency, and openness. It was agreed that this requirement would be set out in legislation.

Scrutiny Proposal		Legislation
<p>Synodical Scrutiny Committee GS 2307 Paragraph 32</p>	<p>Creation of a permanent Synodical Scrutiny Committee of the General Synod, which would meet at least twice a year, with NCI Board Chairs, relevant trustees and their Chief Executive Officers. The Committee would have a focus on the performance of, and operational decisions taken by the NCIs.</p> <p><i>Guidance – Charity Governance Code 7.5.4</i></p>	<p>Clause 19</p>
<p>Committee of Inquiry NEW</p>	<p>Provision in legislation to call for a Committee of Inquiry. This enabling mechanism to trigger a debate in General Synod would allow Synod to establish its own Committee of Inquiry into a specific matter, where, for example, an NCI decision has resulted in significant financial loss or reputational damage.</p> <p>It is proposed that such a Committee of Inquiry should only be triggered with substantial synodical majority of 75% in support.</p> <p><i>Guidance – Charity Governance Code 7.5.4</i></p>	<p>Clause 20</p>

14. The draft legislation includes a provision to establish a permanent Synodical Scrutiny Committee. The functions of the Synodical Scrutiny Committee would include:
 - a) Ensuring that there is regular and constructive engagement between the General Synod and the NCIs through their respective Chairs and Chief Executive Officers.
 - b) Overseeing an external review of CENS grant funding processes, which would be commissioned by CENS, once every five years.
 - c) Calling for an ad hoc Committee of Inquiry.



- 15.** The Synodical Scrutiny Committee would not necessarily wish to invite all the NCI Chairs and Chief Executive Officers to every meeting, this would be at the Committee's discretion. The Committee would hold at least two meetings per year which the Chair, relevant trustees and Chief Executive Officer of the selected NCI would be invited to attend. These meetings could be live-streamed, allowing Synod members to listen to the proceedings, although the Committee could, at its discretion, hold a private session.
- 16.** Ahead of these meetings, the Committee would be provided with a report of an agreed format, outlining significant decisions and recent work undertaken by the NCIs and any other information requested in advance by the Committee. These meetings would provide the opportunity for the members of the Synodical Scrutiny Committee to raise concerns being voiced by Synod members and ask questions about NCI performance, risks, system implementations and system issues. A report of each of these meetings would be issued to Synod members.
- 17.** A function of the Synodical Scrutiny Committee would be to oversee a review of CENS grant-funding processes, which would be commissioned by the Board of CENS once every five years. The final report would be presented before the Synod and CENS would have a period of six months to respond to any findings contained in this review. Such a review would be conducted in a spirit of mutual learning.
- 18.** The draft legislation also includes a provision that would enable the Synod to call for an ad hoc inquiry to investigate serious concerns in relation to NCI decisions that have resulted in loss of the charity's money or assets or caused harm to the charity's work or reputation. The Synodical Scrutiny Committee could itself determine to bring a call for an inquiry for debate in Synod or to do so on the receipt of a specified number of applications by members of Synod (if this were to reflect the same percentage as a call for a meeting of the individual houses, it would require 60 members). Any call for an inquiry, should then be introduced as a motion by the Chair of the Synodical Scrutiny Committee. The matter and the Terms of Reference for the inquiry would be set out and the question of whether such an inquiry be called, would be debated at the General Synod, with a right to reply from the NCI concerned.
- 19.** The call for such an inquiry should not be undertaken lightly and it is proposed that a Synod majority of 75% (the same high bar to the suspension of standing orders) would be required to establish such an ad hoc Committee of Inquiry. Once established the Committee of Inquiry would complete an independent review of the matter, produce a Lessons Learned Report, making recommendations for improvement. The NCI would be required to respond within six months and publish their findings.



- 20. Membership of the Synodical Scrutiny Committee:** For the Synodical Scrutiny Committee to work, it is important that the members of such a committee should command the respect of the Synod and given this clear champion role, it is proposed that the membership of the Synodical Scrutiny Committee would comprise:
- a) The Chair of the House of Laity who would serve as Chair
 - b) The Vice Chair of the House of Laity
 - c) The Prolocutor of Canterbury
 - d) The Prolocutor of York
 - e) A member of the Standing Committee of the House of Bishops who is not a trustee of any NCI
- 21.** Up to four further members could be co-opted should a motion be passed to hold a Committee of Inquiry, based on skills arising from the issues raised in the inquiry and upon the recommendation of the Appointments Committee.
- 22.** Governance reform work has considered roles and responsibilities, aiming to create better separation of duties and open conversations to a wider group of people. In the proposed governance structure, the roles of the Chair and Vice Chair of the House of Laity and the Prolocutors of Canterbury and York roles change – they would no longer be trustees of an NCI, but champions for the voice of Synod, figures able to hold the NCIs to account.
- 23.** GS 2307 also recommended that NCI boards should undertake regular board effectiveness reviews. The board has a key impact on whether a charity thrives. The tone the board sets through its leadership, behaviour, culture, and overall performance is critical to the charity's success and therefore periodic effectiveness reviews support performance and continual improvement.

Belonging and Inclusion

- 24.** One of the aims of GS 2307 was to improve the diversity of the National Church governance structures. The Programme Board believes that the NCIs should actively seek to reflect the diversity of thought and the theological breadth of the Church of England, as well as men and women of different ages, race and ethnicity, background and life experience. As the Charity Governance Code notes, this would ensure that the boards are more effective because they reflect different perspectives, experiences and skills.
- 25.** GS 2307 proposed that each NCI should develop a Diversity Charter setting out their commitment to creating and maintaining diverse and inclusive trustee and staff bodies.



26. It was recognised that Diversity Charters alone might not lead to meaningful action. In July 2023, Reverend Sonia Barron (Lincoln) spoke passionately about inclusion, stating that ‘as a Church we have said and written many words about diversity in all its forms, including racial justice’ and that now is the time for ‘action instead of more words’. GS 2307 recognised that words themselves are not enough and that our actions must be intentional. It was therefore proposed that a statutory duty be placed on each NCI to monitor and report annually to the General Synod, the progress made towards the objectives set out in their Diversity Charter. The reporting on diversity should form part of each NCIs annual report, which would evidence a commitment to increasing diversity across, NCI boards, committees and staff.

Diversity Reporting Proposal		Legislation
Diversity Charter GS 2307, Paragraph 94	A duty for each NCI to establish a Diversity Charter which sets out their commitment to improving diversity. (Charity Governance Code 6.1)	Clause 18
Statutory Duty to Report Progress GS 2307, Paragraph 94	A new statutory duty placed on each NCI to report their progress to the General Synod on making their Boards, Committees and Staff bodies more inclusive and representative of the communities they serve. (Charity Governance Code 6.7)	Clause 18

27. These simple changes aim to embed the principles of diversity, belonging and inclusion within each NCI Board. The two changes listed cement and build upon some of the good work already being carried out by individual NCIs, for example, the Pensions Board already reports on the diversity of its Board and the Church Commissioners have recently published their approach to diversity and inclusion.
28. We recognise that alongside this specific work within the NCIs there will be a need for continuing support for the work of racial justice and support for ministry among the deaf, disabled and neurodivergent people. We recognise that oversight of the delivery of this work should be held within CENS by a national church advisory group. However, the interactions on questions of diversity, and the need for objective, external advice is likely to need wider engagement to highlight where more work is required and to provide a fresh perspective on how we might achieve these goals.
29. The Programme Board is aware that separate conversations within the Archbishops’ Council and the Racial Justice Commission are underway to consider some of these wider issues. We have not made any detailed suggestion in our indicative proposals and would not wish to prejudge other conversations.

National Church Institutions

30. This policy document, demonstrates how complex a task it is to restructure our current governance structure, and that is made more complicated by understandable vested interests and fear of change. When GS 2307 was presented to General Synod in July 2023, Mr Stephen Hogg (Leeds), reminded us that ‘change is always at first experienced as loss, but change is sometimes just the opportunity we need’. The Programme Board would ask members to work with us, as we enter the Revision Stage, to improve the detail here and develop a governance structure that helps our Church to flourish.
31. The complexity of our current arrangements is seen in the seven NCIs that work together to further the work and mission of the Church of England.¹
- The **Church Commissioners for England** was established in 1948. Its origins are in the Queen Anne’s Bounty, founded in 1704, and the Ecclesiastical Commissioners formed in 1836, whose assets were combined in 1948 to establish the Church Commissioners. Its purpose is to support the work and mission of the Church of England. The Commissioners manage the historical in-perpetuity endowment fund (a £10.3 billion investment fund as at the end of 2022) and the money made from these investments enables grants to be made for, or towards the cost of mission projects, dioceses in low-income areas, bishops, cathedrals, and pensions.
 - The **Archbishops’ Council** was established in 1999, following the passing of the National Institutions Measure 1998 to co-ordinate, promote, aid and further the work and mission of the Church of England. It does this by providing national support to the Church in dioceses and locally, working closely with the House of Bishops and other bodies of the Church.
 - The **Church of England Pensions Board** was founded in 1926 and provides retirement housing and pensions, set by the Church of England, for those who serve or work for the Church.
 - The role of the **National Society** (founded in 1811) is to promote Christian education in schools, colleges and universities that allows children and young people to flourish in the widest sense.
 - Lambeth Palace and Bishopthorpe, collectively known as “**The Office of the Archbishops**” support the archbishops in their diocesan and national work.

¹ The Joint Employment agreement made under the National Church Institutions Measure also includes the Trustees of Lambeth Palace Library as a party. The future of the Trust and that of the Friends of Lambeth Palace Library is being considered as a separate piece of work and does not impact these proposals.

- **Church of England Central Services (ChECS)** was formed in 2013 to provide professional support services to the NCIs and the wider Church. It is jointly owned by the Archbishops' Council, Church Commissioners, and the Pensions Board.
- 32.** GS 2307 proposed that there would be a reduction in the number of NCIs, from seven to four, with a new charitable body being established under the proposed Measure:
- Church of England National Services (new charitable body)
 - The Church Commissioners
 - The Church of England Pensions Board
 - The National Society for Promoting Religious Education
- 33.** The draft Measure importantly defines the national bodies that are to be National Church Institutions, so that it is clear which bodies are providing support and service to the church nationally. The draft Measure also provides a mechanism to amend this list in the future, so that it would be possible to define another body in this way, by an Order approved by Synod. This would not allow another charity or body to be created by Order but simply enable it to be brought within the scope and scrutiny which is applied to all the bodies defined as NCIs. This mechanism could be used if, for example, following consultation, it was decided that a new safeguarding body, separately created, should be treated as an NCI. The draft Measure also envisages the dissolution of both the Archbishops' Council and ChECS, and they are not included in the list of NCIs proposed within the draft legislation.
- 34.** As stated above, a new charity Church of England National Services (CENS) would be established through the draft legislation now being introduced. All the functions of the Archbishops' Council, Church of England Central Services, most of the non-investment functions of the Church Commissioners, and some of the activities of the Office of the Archbishops, subject to transitional processes and necessary charitable consents, would be consolidated to form the new charity, CENS.
- a) **CENS** would be a service-focused, operational, and administrative body created to serve, support, encourage and enable the work and mission of the Church. Drawing together many of the NCIs' strategic, operational, and professional teams within one charitable entity would enable its future executive team to find synergies and to develop organisational structures that are operationally more efficient and able to deliver better levels of service to the wider Church.
 - b) The **Church Commissioners** would be focused on delivering strong investment returns for the Church. The Commissioners would continue to serve as good stewards, safeguarding its financial assets and generating distributions to support the work of the whole Church. All other functions of the Commissioners should transfer to CENS, with processes for transitional provisions provided for in legislation for those regulatory functions currently undertaken by the Commissioners.



- c) The **National Society** would continue to lead on developing education, which is deeply Christian, serving the common good. The National Society will focus on its three strategic priorities of developing leaders, shaping policy, and growing faith (in partnership with CENS and the Church in Wales), as well as the provision of a national inspection framework and service for all church schools.
 - d) The **Pensions Board** would continue to serve clergy and those who work and minister for the Church through its retirement services. It will continue to be the regulated Trustee and Administrator of the Church's pension schemes, stewarding scheme assets ethically and responsibly on behalf of scheme members. As a charity, the Pensions Board would also continue to assist those clergy in need of support with housing in retirement.
35. One of the main aims of this reform is to create a simpler, more understandable National Church governance structure, where there is clarity in relation to the purpose and functions of each NCI, how they relate to each other and to other National Church bodies. Clearly defining the roles and responsibilities of each body within the Church and what they are expected to deliver to support the work and mission of the Church is key to understanding their interdependent roles within the Church ecosystem and their fundamental purpose in supporting dioceses, parishes, cathedrals, churches, schools, communities, and leaders, both lay and ordained.

Funding Arrangements

36. GS 2307 highlighted that the way money flows around the Church of England is complicated and at times onerous. Combining the functions of the Archbishops' Council, Church of England Central Services and the non-investment activities of the Church Commissioners should help to make some of the associated processes much less complex.
37. Based on the existing framework for funding, CENS would have three main income streams: i) diocesan apportionment, ii) Church Commissioners funding and iii) income from the provision of shared services. A Diocesan Finance Review is currently underway which we expect to recommend changes to certain aspects of the current funding arrangements, including diocesan apportionment.
38. **Diocesan Apportionment:** Currently, the Archbishops' Council receives funding from each diocese through Diocesan Apportionment, which is a mechanism by which various costs incurred nationally on behalf of the whole Church are shared amongst dioceses. Apportionment is intended to fund these costs in full but, due to concerns about diocesan affordability, is now meeting a significantly diminishing proportion of the budget (around half in 2024).

- 39.** The General Synod is asked to ‘vote’ on each of the five areas of the budget funded (or part-funded) by diocesan apportionment:
- **Vote 1 – Training for Ministry**, which reflects the costs of pre-ordination training for clergy (dioceses pay maintenance / living expenses directly, though these are also shared through a pooling mechanism).
 - **Vote 2 – National Church Responsibilities**, covering the operating costs of the Archbishops’ Council’s departments and the Council’s share of shared service departments, which together undertake the statutory and necessary activities and services that are most effectively carried out at national level.
 - **Vote 3 – Grants** 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.
 - **Vote 4 – Mission Agency Pension Contributions**, which covers the pension contributions made by the Archbishops’ Council for clergy serving with the Partnership for World Mission (PWM) agencies who are regarded as being “in service” for the purposes of the clergy pension scheme.
 - **Vote 5 – Clergy Retirement Housing** supports the clergy retirement housing (CHARM) scheme operated by the Church of England Pensions Board on behalf of the wider Church.
- 40. Church Commissioners Funding:** CENS, like the Archbishops’ Council, would receive grant funding from the Commissioners, a percentage of which would be used to fund its operating budget (which would also include those departments and responsibilities currently undertaken directly by the Commissioners). CENS would distribute most of the funding received to the wider Church and other NCIs through various grant streams. In the new governance model, CENS will be responsible for the award of grants to the wider Church, providing greater clarity and visibility over overall funding.
- 41. Shared Services:** CENS like ChECS, will recharge the other NCIs for the provision of shared services, though since a large proportion of the shared services will be supporting CENS itself, the income received from shared service provision will be considerably lower than that currently received by ChECS.

Church of England National Services

- 42.** Church of England National Services would be the delivery arm of the NCIs and would provide services to the NCIs, the General Synod, and the wider Church. The charitable objects of CENS, as set out in the legislation at Clause 3, are to:
- a) further the whole mission of the Church of England, pastoral, evangelistic, social, and ecumenical;
 - b) enable the efficiency and effectiveness of the other National Institutions, diocesan bodies and charities with a Church ethos.
- 43.** The actions which CENS may take to fulfil its charitable objects include, but are not limited to:
- a) developing strategies for implementing principles set by the House of Bishops or the General Synod for encouraging and enabling the work and mission of the Church;
 - b) monitoring and reporting on the implementation and impact of the principles referred to in a);
 - c) supporting the work of the other National Institutions, the General Synod, the House of Bishops, all those who hold office as a diocesan or suffragan bishop (taken as a group) and national Church bodies;
 - d) supporting the work of bishops in their corporate capacity and of dioceses, cathedrals, parishes, chaplaincies and other local or regional Church bodies;
 - e) facilitating the development of policies on matters of religious or political interest and engaging with individuals and bodies with a view to implementing those policies;
 - f) fostering a culture of learning within the Church of England;
 - g) making grants from resources held at a national level;
 - h) providing professional, procurement, payroll, administrative or secretariat services.



Board Composition

44. GS 2307 proposed that the membership of the Board of CENS should be limited to 15 members with a focus on bringing together a skilled and diverse group of trustees.

Board Composition Proposals		Legislation
<p>Membership GS 2307 Paragraph 97</p>	<p>CENS Board of no more than 15 members</p> <p>Replaces the Archbishops’ Council (Board membership of 19 members) and Church of England Central Services (Board membership of 6)</p> <p>Reduces the membership of the Church Commissioners Board.</p> <p><i>(Charity Governance Code – 5.6.2)</i></p>	Schedule 1
<p>Composition GS 2307 Paragraphs 99-102</p>	<p>CENS Board membership shall be constituted of:</p> <ul style="list-style-type: none"> ■ A dedicated Chair ■ the Archbishops of Canterbury and York (ex officio members) ■ two bishops elected by and from the House of Bishops ■ two clerks in Holy Orders elected by and from the House of Clergy ■ two lay persons elected by and from the House of Laity ■ not more than six other persons appointed by the Board of CENS <p>The CENS Board membership is broadly based on the composition of the Archbishops’ Council, as described in the National Institutions Measure.</p> <p>Removes the officers of the Houses of Laity and Clergy. Separation of Synod Officers to allow for independent scrutiny.</p> <p>Removes the appointed Church Estates Commissioner member from the Board. Proper separation of duties between the Commissioners and CENS Board.</p> <p>Members shall be:</p> <ul style="list-style-type: none"> ■ Communicant Anglicans or of a Church which subscribes to the doctrine of the Holy Trinity, aligning to the legislative change adopted by the Church Commissioners ■ Majority of lay members ■ Majority of Synod members (excluding the archbishops). <p>All CENS trustee appointments shall be approved by the Synod.</p>	Schedule 1

Board Composition Proposals		Legislation
<p>Dedicated Chair GS 2307 Paragraph 103</p>	<p>A dedicated Chair should be appointed rather than placing an Archbishop in the position of Chair. The change aims to guard against potential issues of deference and to ensure that the Board is led by an individual who has the time and capacity to dedicate to the role.</p> <p>There would be a requirement for the General Synod to approve the appointment of the Chair.</p> <p>The post should be remunerated to reflect the level of commitment required and the calibre of individual needed to undertake this role.</p> <p><i>(Charity Governance Code – 2.4.2 and Charity Commission – Trustee expenses and payment guidance, issued 31 October 2022)</i></p>	Schedule 1
<p>Deputy Chair (NEW)</p>	<p>A Deputy Chair of CENS should be appointed to support the Chair.</p> <p><i>(Charity Governance Code – 5.5.3)</i></p>	Schedule 1
<p>Chief Executive Officer (NEW)</p>	<p>The Chief Executive Officer of CENS would be line managed by the Chair of CENS and would not serve as Secretary General to the General Synod and Secretary to the House of Bishops.</p> <p>Whilst the Secretary General of Synod would be line managed by the CEO within CENS, they would be accountable to the Officers of the Synod which should give greater clarity to the duties and accountabilities of both posts.</p>	Schedule 1
<p>Terms of Office (NEW)</p>	<p>3-year term of office. No more than 3 consecutive terms of office. Maximum 9 years but can be extended in exceptional circumstances.</p> <p>Reduction of terms of office from five to three years.</p> <p><i>(Charity Governance Code – 5.7.4)</i></p>	Schedule 1
<p>Appointments GS 2307 Paragraph 172</p>	<p>The Governance and Nominations Committee should recommend appointments to the Board based on skills and diversity.</p> <p><i>(Charity Governance Code 6.3)</i></p>	Clause 4
<p>Ex Officio Members of Synod GS 2307 Paragraph 104</p>	<p>There is no requirement for all the trustees of CENS to be ex officio members of the General Synod. The Chair and Deputy Chair would be required to be members of the Synod.</p> <p>Appointed members would not be required to be ex officio members but would have the right to attend and speak at the General Synod.</p>	Schedule 1



- 45.** The archbishops should continue to serve as ex officio trustees of the Board of CENS. There is a risk that members of the Board might defer to the archbishops, but part of the role of the Chair will be to ensure that the voices of all members are heard. GS 2307 reflected that were the archbishops not to serve as trustees of CENS, it is likely that they would act as de facto trustees as their opinion would be sought by staff and this would be a less transparent arrangement.
- 46.** GS 2307 proposed that the Board of CENS should be independently chaired and noted that the Chair would need to possess a range of technical, governance and leadership skills. Due to the time commitment involved, the calibre of individual needed to lead the charity and, in a bid, to widen the diversity of the candidate field, it is proposed that the Chair should be remunerated. It is likely that a dedicated Chair of CENS will need to commit three to four days a week to this role. Charity trustees are not normally paid and therefore the rationale for paying a trustee will require the approval of the Charity Commission and should be set out in legislation.
- 47.** By virtue of their office, the Prolocutors of the Convocations of Canterbury and York and Chair and Vice Chair of the House of Laity are members of the Archbishops' Council (the charity), the Legislative Committee of the General Synod and the Standing Orders Committee of the General Synod. The CENS Board has been designed to reduce the number of ex officio members and to better distinguish between the role of the charity trustee and that of the officers in the Synod. GS 2307 aimed to create a clear separation of duties and proposed that the Prolocutors and the Chair and Vice Chair of the House of Laity should be focused on their Synodical work and not be trustees of CENS. This would properly enable them to question decisions taken by the Board of CENS, as they would no longer be party to those decisions and act as the champions of the Synod in scrutiny of the CENS and other NCIs.
- 48.** GS 2307 did not include a Church Estates Commissioner as a trustee of CENS, to separate those roles involved in making decisions about the level of distribution and those involved in prioritising how funds should be allocated across the Church. During the transitional period, it is proposed that the Third Church Estates Commissioner would serve on both the Church Commissioners Board and the CENS Board to ensure that there is a smooth transition for those functions moving from the Commissioners to CENS. In the proposed governance model, it is envisaged that the First Church Estates Commissioner would present a half yearly 'Commissioners' Update Report' to the Board of CENS. This arrangement would be a reciprocal one with the same rights granted to the Chair of CENS, ensuring both Boards understand how the other NCI is performing and the implications this might have for their work. The Programme Board also recommends that the Boards of CENS and of the Church Commissioners have a joint meeting once per annum, as is the custom today with a joint meeting of the Council and Church Commissioners.



- 49.** GS 2307 proposed that ‘a filter mechanism be put in place’ for the election of CENS trustees. From our conversations with Synod members, it is evident that a filter mechanism would be perceived as unfair, an attempt to manage elections and consequently subject to significant challenge. The Church Commissioners Legislative Reform Order allowed Synod members to continue to elect their preferred candidates to the Board and the NCGPB has agreed to adopt the same approach.
- 50.** It is proposed that there would be a role description for all trustee roles, detailing the specific criteria required to perform the role. Those standing for election would be required to demonstrate, in their election statement, how they meet the role criteria. Synod members would be free to elect their preferred candidate but would be encouraged to take into consideration the criteria expressed in the role description and how their preferred candidate met the requirements of the trustee body.
- 51.** It will be important, however, to ensure that all those who stand for election do so understanding the responsibilities of a trustee and be willing to abide by the Code of Conduct adopted by the Board of CENS and for the Board and for its committees. We would expect all those nominated to signify their understanding and acceptance of this.
- 52.** Day-to-day management of CENS is delegated by the trustees to the Chief Executive Officer. In the governance model proposed, the Chief Executive Officer of CENS would have a direct reporting line to the Chair of the CENS Board, who would also be responsible for the annual performance review of, and agreeing objectives for, the Chief Executive Officer.
- 53.** The Chief Executive Officer would not serve as Secretary General of the Synod and Secretary to the House of Bishops. The Programme Board believes that the role is too large and one which risks a conflict of interests between the Secretary General of the Synod’s responsibility to support Synod’s scrutiny work and the responsibility of the CEO of CENS to support and defend the work of the trustees. We have proposed that the Secretary General of the Synod would continue to also serve as the Secretary of the House of Bishops and be a member of the CENS staff. The Secretary General of the Synod would be line managed by the CEO of CENS, but would report to the Officers of the Synod, and would need to be an officer of sufficient seniority to maintain the necessary separation of duties, particularly in relation to scrutiny.

Responsibilities of the Board of CENS

- 54.** The Board of CENS would be responsible for delegating responsibility to its various sub-committees and staff. However, certain matters should be properly reserved for the Board, including:
- a) set the mission and strategy of CENS, and monitor its impact;
 - b) support the delivery of those aspects of the agreed vision and strategy for the Church of England which are delivered nationally, including national funding and support, as necessary, for those aspects of vision and strategy to be delivered in dioceses and locally;
 - c) regularly review the CENS business plan, and performance against the charitable objectives set out within it and monitor its impact;
 - d) review and approve CENS Annual Report and Financial Statements;
 - e) review and approve CENS Annual Risk Management Statement;
 - f) oversee control and risk management systems;
 - g) oversee regulatory compliance matters;
 - h) approve major capital expenditure projects outside agreed limits;
 - i) approve significant asset disposals;
 - j) approve major grants outside agreed limits;
 - k) commission an external review of grant funding processes once every five years;
 - l) oversee employee culture;
 - m) approve appointments and succession plans; and
 - n) approve CENS' committee structure, delegation framework, and key policies.

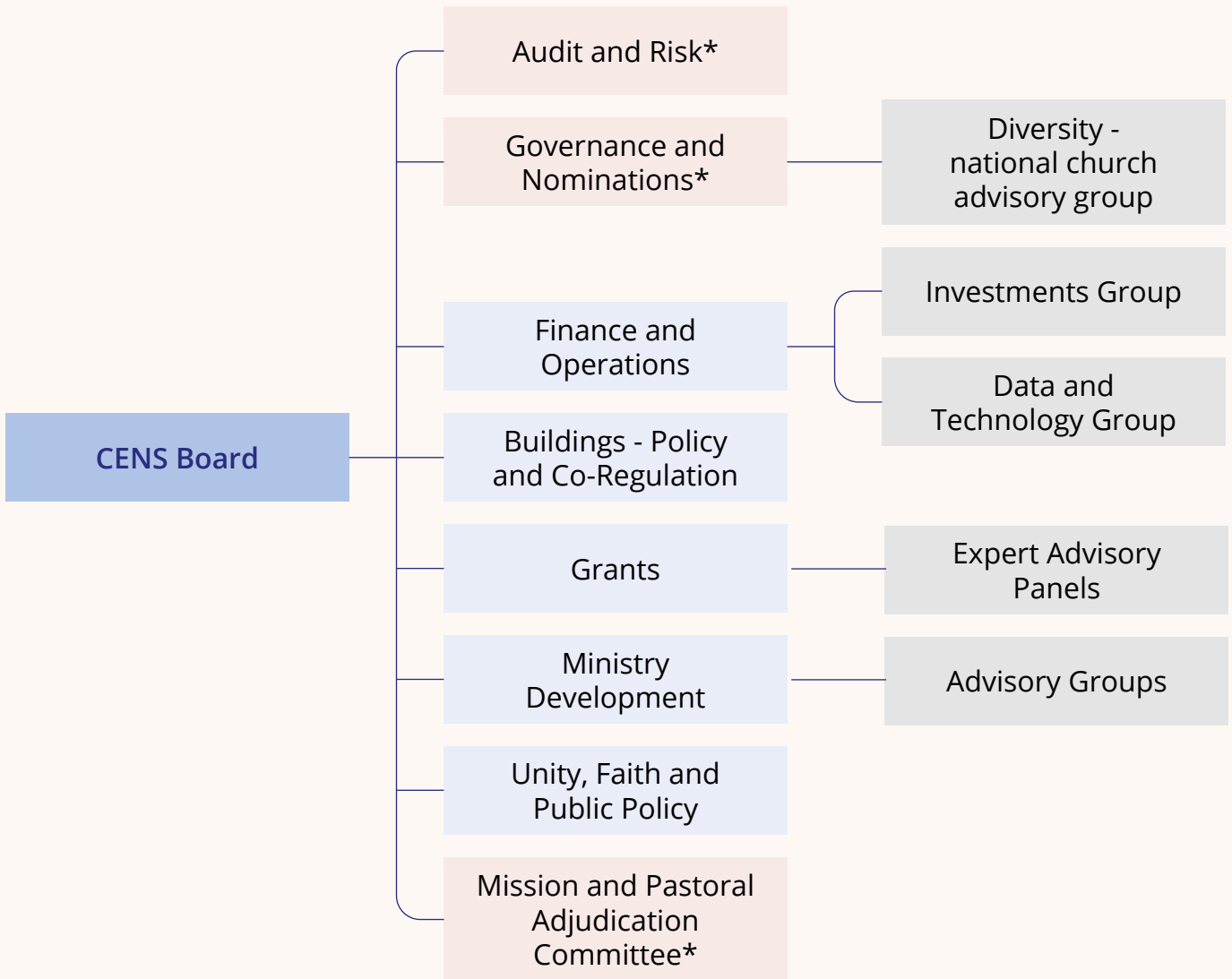
CENS Committees

- 55.** GS 2307 recommended that the CENS Board should establish a small number of committees, with specific decisions and tasks delegated to them, enabling the Board of CENS to use its time efficiently and effectively. The power of the CENS Board to determine its own committee structure is set out in the draft legislation.
- 56.** Whilst it will be for the CENS Board to determine the exact arrangements, the NCGPB has considered that the following principles should be adhered to in determining its committee structure:
- a) members should be appointed to boards and committees based on the skills and diversity criteria identified;
 - b) all trustees and committee members should adhere to an agreed Code of Conduct, an agreed Conflicts of Interest policy and Register of Interests;
 - c) keep the number and size of committees and sub-committees to a minimum;

- d) all CENS committees should include at least two elected members of the General Synod, who have appropriate skills and experience, in their membership;
- e) the terms of reference of all standing committees of CENS and their membership should be published on the Church of England website;
- f) all committees should have clear terms of reference, which set out the delegations to the committee and staff from the Board, and which should be regularly reviewed;
- g) the governance structure of CENS should be set out on its website, explaining the purpose and membership of each of its committees and linking to their terms of reference;
- h) all standing committees should provide reports of their meetings to the Board;
- i) wherever feasible, limited-life, task-focused groups should be preferred to standing groups.

- 57.** Members of Synod made very clear that the committee structure presented in GS 2307 was too narrow. Further work has demonstrated that for the CENS Board to be effective it would need to delegate responsibilities to a greater number of committees. An illustrative governance structure of core committees, that could be adopted by a future CENS Board, is presented below. This does not seek to set out all the committees and working groups that CENS would no doubt operate. For example, the delegation of oversight of the legislative programme to the Legislative Reform Committee would clearly be a sensible continuation of an existing body.
- 58.** The model does not include a specific safeguarding committee. The Programme Board remains conscious of the work that is underway to review the future safeguarding arrangements for the Church of England. The Board makes no comment on the particular arrangements which may emerge from that work but has sought to ensure that the draft legislation can accommodate and not restrict particular arrangements which may emerge. In any event, we believe that, in accordance with best practice in charitable governance, the respective NCI boards should directly hold responsibility for the safeguarding of their own staff.

Illustrative CENS Committee Structure Diagram



* The membership and responsibilities of these committees would be set out in the legislation

59. GS 2307 aimed to simplify the web of committees at the heart of the National Church. In attempting to resolve the current situation, it is apparent that it is not just the volume of committees that is the problem (although undoubtedly there are too many) but the lack of clarity about the responsibilities of each committee, how they interconnect and where ultimate accountability for a decision rests. This is complicated still further when NCIs have overlapping responsibilities. The draft legislation includes a provision for the NCIs to publish and regularly review an overarching delegation framework, so that everybody is clear where governance decisions are being taken and who is involved in this process. This level of clarity and openness should serve to build trust and confidence in the work we do. An Illustrative Delegation Framework has been included in **Annex A** for reference and the diagram below shows in outline the difference from the current structure to the illustrative committee structure proposed.



Current Top Level Committee Structure

Boards /Other	Committees
Church Commissioners	<ul style="list-style-type: none"> ■ Assets ■ Audit and Risk ■ Bishoprics and Cathedrals ■ Mission, Pastoral and Church Property
Archbishops' Council	<ul style="list-style-type: none"> ■ Finance ■ Audit and Risk ■ Ministry Development ■ Strategic Mission and Ministry Investment Board ■ Mission and Public Affairs ■ Committee for Ministry of and among Deaf and Disabled People ■ Committee for Minority Ethnic Anglican Concerns ■ Legislative Reform ■ Remuneration and Conditions of Service ■ Council for Christian Unity
ChECS Board	
Joint Employment Common Services Board	
Emerging Church of England Steering Group	
Triennium Funding Working Group (forms for a time-limited period every three years)	

Proposed Structure

Boards /Other	Committees
Church Commissioners	<ul style="list-style-type: none"> ■ Assets ■ Audit and Risk ■ Governance and Nominations
CENS	<ul style="list-style-type: none"> ■ Finance and Operations ■ Audit and Risk ■ Governance and Nominations (supported by National Church Diversity Advisory Group) ■ Grants ■ Buildings – Policy and Co-Regulation ■ Ministry Development ■ Unity, Faith, and Public Policy ■ Mission and Pastoral Adjudication
Joint Employment Common Services Board	



- 60. Example Terms of Reference have been drafted to demonstrate how the governance model might work in practice, but it would be for the Board of CENS to determine its committee structure following consideration of representations made. The Terms of Reference have been developed considering the work currently undertaken by a range of committees and how that might be re-structured were these proposals to be adopted.
- 61. **Audit and Risk** – The CENS Audit and Risk Committee’s membership and functions are set out in the draft Legislation and have been aligned to the functions of the Church Commissioners’ Audit and Risk Committee.

Audit and Risk (GS 2307 paragraphs 136-138) Legislation Reference: Clause 5	
Purpose	Support the Board of Trustees by providing: <ul style="list-style-type: none"> ■ independent oversight of its internal controls, risk management and statutory financial reporting. ■ supervision of the quality, independence, and effectiveness of both its internal and external auditors.
Chair	<ul style="list-style-type: none"> ■ The Chair of the Audit and Risk Committee would be a member of the CENS Board but should not be the Chair of the Board. The Chair should be appointed as part of a competitive recruitment process and would need to demonstrate finance, risk and governance expertise. ■ The appointment of the Audit and Risk Chair must be endorsed by the Synod.
Membership	<ul style="list-style-type: none"> ■ Three members of the CENS Board appointed by the Board on the recommendation of the Governance and Nominations Committee (one of whom shall serve as Chair). ■ Two members elected from the House of Clergy or House of Laity and elected by the joint members of those houses. To be eligible to stand for election the individuals must be able to demonstrate in their election statement appropriate skills as an accountant, auditor, lawyer, risk manager (evidenced through the membership of an appropriate professional body) or other such criteria as may be required at that time. ■ Two independent members appointed by the Board on the recommendation of the Governance and Nominations Committee (one of whom shall serve as deputy chair). These individuals would be appointed based on a defined role description considering the skills and diversity required to support the work of the Committee.

Audit and Risk
 (GS 2307 paragraphs 136-138)
 Legislation Reference: Clause 5

Responsibilities

The Committee would:

- a) review the accounting policies and practices of CENS, its annual accounts and any reports made, and advice given to the Board of CENS by its internal and external auditors.
- b) oversee and direct the work of the internal audit function.
- c) keep under review the risks, including financial risks, to which CENS is exposed in carrying out its functions and the adequacy of the steps taken by CENS to mitigate those risks.
- d) keep under review the effectiveness of the internal control system.
- e) consider any representations made to them.
- f) appoint, with the approval of the Board, an external auditor and to direct the way the external audit required to be made is undertaken, including ensuring that the requirements of generally accepted auditing standards are met.
- g) report to the Board of CENS any matter relating to the functions and business of the CENS which causes the Committee grave concern.
- h) publish an annual report on how the Committee has discharged its functions which shall be laid before the Board and the General Synod.

- 62. Governance and Nominations** – The CENS Governance and Nominations Committee’s membership and functions are set out in the draft Legislation, providing transparency in relation to the role of the committee.
- 63.** The Charity Governance Code recognises the importance of establishing an effective board, with the right mix of skills, knowledge, and experience to govern, lead and deliver the charity’s purposes effectively, and recommends that charity boards establish a nominations committee to lead the board appointment process.



64. The General Synod Appointments Committee would continue to be consulted by the Archbishops on a number of trustee appointments, and be responsible for the appointment of General Synod members to the committees of Synod and other Non-NCI bodies and, in our proposals, Synod member appointments to the Mission and Pastoral Adjudication Committee.

Governance and Nominations

(GS 2307 paragraphs 139-143)

Legislation Reference: Clause 4

<p>Purpose</p>	<p>Support the Board of Trustees by providing:</p> <ul style="list-style-type: none"> ■ independent oversight of the appointments process for the Board, its committees, and its Chief Executive Officer. ■ assurance that the composition of the CENS Board and its committees are appropriately skilled and diverse. ■ assurance that the Board and its committees comply with good governance standards and conduct regular effectiveness reviews. ■ overseeing CEO and Senior Staff remuneration.
<p>Chair</p>	<ul style="list-style-type: none"> ■ The Chair of the CENS Board will also serve as Chair of the Governance and Nominations Committee.
<p>Membership</p>	<ul style="list-style-type: none"> ■ Three members of the CENS Board, one of whom shall be the Chair. ■ Two members elected from the House of Clergy or House of Laity and elected by the joint members of those houses. To be eligible to stand for election the individuals must be able to demonstrate in their election statement appropriate governance skills or such other criteria as may be required at that time. ■ Two independent members appointed by the Board on the recommendation of the Governance and Nominations Committee. These individuals would be appointed based on a defined role description considering the skills and diversity required to support the work of the Committee.

Governance and Nominations

(GS 2307 paragraphs 139-143)

Legislation Reference: Clause 4

Responsibilities

The Committee would:

- a) develop and operate transparent and effective processes for the identification, selection, and recommendation to the Board of appropriate candidates for appointment to the Board and its committees, liaising with the Appointments Committee for the Church of England where necessary.
- b) keep under review board composition to ensure the Board and its committees are skilled and diverse and that succession planning is adequate with a pipeline of future trustees being developed and nurtured.
- c) agree role descriptions for any vacancies on the Board and committees to support both election and appointment processes.
- d) recommend to the Board the processes for selection of the Chair and Chief Executive Officer of CENS.
- e) approve the remuneration of the Chief Executive Officer.
- f) oversee the trustee induction programme, ongoing education and ensure that all trustees receive initial training outlining their fiduciary duties.
- g) advise the Board on its compliance with the Charity Governance Code and other applicable governance requirements.
- h) make a report to the Board on performance against commitments set out in its diversity charter to be laid before the General Synod.
- i) oversee the regular board effectiveness reviews and make improvement recommendations to the Board.
- j) consider and recommend changes to procedures of the board and its committees.
- k) keep under review the Conflicts of Interest Policy and the Register of Interests, ensuring that the Register is adequate, and properly administered.
- l) The Governance and Nominations Committee would oversee the work of any national church advisory group for diversity, belonging and inclusion.



65. Finance and Operations – The Programme Board believes that there would a requirement to establish a Finance and Operations Committee, which would provide financial and operational oversight of CENS.

Finance and Operations	
Purpose	<p>Support the Board of Trustees through the:</p> <ul style="list-style-type: none"> ■ oversight of service delivery to NCIs, other Church bodies and operational oversight of CENS. ■ oversight of all aspects of budgetary and financial planning. ■ oversight of triennium funding planning process, monitoring triennium funding spend and agreeing any subsequent virements of funding. A time-limited working group will be formed to support the triennium funding planning process.
Chair and Membership	<ul style="list-style-type: none"> ■ The Chair shall be an appointed member of CENS Board. ■ The membership, frequency and quoracy of the Committee should be defined by the CENS Board and set out in the Committee’s Terms of Reference.
Responsibilities	<p>The Committee would:</p> <ol style="list-style-type: none"> a) ensure the delivery and monitor the effectiveness of shared services in accordance with agreed service levels. b) approve NCI policies and procedures in relation to Technology, Data Services and Digital (overseen by the Data and Technology Group). c) oversee the resilience and performance of critical shared services to the NCIs and the wider church, such as Payroll and Pathways (overseen by the Data and Technology Group). d) oversee Information Security governance, systems, controls and procedures. Receive and review regular reports on the adequacy and effectiveness of the Information Security systems and controls of CENS (overseen by the Data and Technology Group). e) consider proposals for upgrades to major operational systems and oversee the review of the portfolio of programmes and projects across the NCIs (overseen by the Data and Technology Group). f) recommend for approval to the CENS Board its annual budget and monitor actual financial performance against budget and forecast and report to the Board. g) agree the amounts to be paid in relation to archbishops’ and bishops’ working costs.

Finance and Operations

Responsibilities

- h) oversee any financial and budgetary matters pertaining to the co-regulation of cathedrals in conjunction with the Buildings – Policy and Co-Regulation Committee.
- i) recommend triennium funding plans and any subsequent variations to the Board for approval and monitor that allocations are made in accordance with agreed budgets and delegations of authority.
- j) establish a time-limited group to oversee the triennium funding planning process.
- k) monitor the financial sustainability of dioceses, cathedrals, Theological Education Institutes, etc.
- l) monitor the performance of any financial investments of CENS (overseen by the Investments Group).
- m) recommend the annual pay award to the Board following consultation with the Joint Employment Common Services Board.
- n) oversee the development of NCI policies and procedures relating to finance, people and communications for consultation with and approval by the Joint Employment Common Services Board.
- o) recommend the annual clergy stipend increment to the Board following consultation with the dioceses and the wider Church.

It is proposed that the Finance and Operations Committee would be supported by two groups, Investments, and Data and Technology, whose responsibilities and delegations would be defined in the Terms of Reference of the Finance and Operations Committee.

The Committee would also establish a Triennium Finance Working Group to oversee and support the preparation of the triennial funding proposal.

66. Alongside the Finance and Operations Committee there will be a continued need to maintain a Joint Employment Common Services Board with the other NCIs for shared policy and operational decisions impacting each of them. However, the Programme Board believes that the membership of this board can be reduced to the Chairs and CEOs as used to be case prior to the creation of ChECS.
67. **Buildings - Policy and Co-Regulation** - The establishment of a Buildings – Policy and Co-Regulation Committee would serve to join all committees relating to property and regulatory matters together and would be the main standing committee where the business of the non-investment functions transferring from the Church Commissioners could be conducted in a focused manner.



68. The Chair of this committee would be the key contact within the CENS Board for cathedrals and the trustee job profile would highlight that there is likely to be a significant time commitment and requirement to travel to cathedrals across the country.

Buildings – Policy and Co-Regulation	
Purpose	<p>Support the Board of Trustees through the:</p> <ul style="list-style-type: none"> ■ oversight of all matters relating to See House estates, including their ongoing maintenance, suitability for operational use, and the sale and purchase of property. ■ oversight of all matters relating to the co-regulation of and governance support for cathedrals. ■ approval of policies relating to church building matters and oversight of the work of the Church Buildings Council and Cathedral Fabric Commission for England. ■ oversight of NCI operational buildings, accommodation, leased property and facilities matters. ■ oversight of relationships with independent statutory bodies, other charitable bodies including the Churches Conservation Trust, and government as concerns property.
Chair and Membership	<ul style="list-style-type: none"> ■ The Chair shall be a member of the CENS Board and a champion for cathedrals and church buildings. ■ The membership, frequency and quoracy of the Committee should be defined by the CENS Board and set out in the Committee’s Terms of Reference.
Responsibilities	<p>The Committee would:</p> <ol style="list-style-type: none"> a) oversee the provision of suitable housing for diocesan bishops and the effective management of the see-house portfolio. b) approve capital and revenue expenditure on individual properties (including Lambeth Palace, Bishopthorpe Palace and Lambeth Palace Library) up to an agreed limit, after which the matter shall be referred to the Board or the Finance and Operations Committee in accordance with the delegation framework. c) approve the sale and purchase of property up to an agreed limit, after which the matter shall be referred to the Board. d) oversee all matters relating to the co-regulation of cathedrals, including the provision of consent in relation to the disposal of cathedral land or residences. e) approval of policies relating to the disposal of church buildings or the change of use of church buildings. f) oversee the property-related relationships with independent statutory bodies, other charitable bodies, and government, receiving regular reports and updates.



69. Grants – The establishment of a Grants Committee provides an important oversight mechanism, as the committee would manage how the funding provided by the Church Commissioners is being allocated, and how CENS is supporting the delivery of the vision and strategy of the Church of England through the provision of grants to the wider Church.

Grants	
Purpose	<p>Support the Board of Trustees through the:</p> <ul style="list-style-type: none"> ■ oversight of all funding allocation requests. ■ oversight of all grant allocations, including to dioceses, on behalf of the Board of CENS. ■ oversight and evaluation of the impact of investments made in grant-funded projects and the lessons that can be learnt for future projects. <p>The committee would be supported in its work by a small number of expert grant panels, which in the current context, might include Net Zero, Racial Justice and Cathedrals and Church Buildings. Specific powers to approve grants will be delegated, within appropriate limits, to the expert grant panels from the Grants Committee.</p>
Chair and Membership	<ul style="list-style-type: none"> ■ The Chair shall be an appointed member of CENS Board. ■ The membership, frequency and quoracy of the Committee should be defined by the CENS Board and set out in the Committee’s Terms of Reference.
Responsibilities	<p>The Committee would:</p> <ol style="list-style-type: none"> a) approve major grants to dioceses. b) oversee all funding allocations, including those made by expert grant panels. c) monitor and oversee the work of expert grant panels. d) approve all policies and procedures in relation to grants. e) apply rigorous conflict-of-interest procedures, to ensure that committee and panel members put the objects of the charity above all else when making funding decisions. f) promote an ethos of transparency by ensuring that stakeholders and interested members of the public have access to appropriate and accurate information regarding all grants. g) keep under review all distribution streams and their outcomes. h) evaluate and report on the overall impact of the investments made across all grant funding streams and the achievement of strategic objectives.



70. The **Ministry Development Committee** would be a sub-committee of the CENS. The Committee would seek guidance from the House and College of Bishops to develop policies relating to ministry development. The Ministry Development Committee would have a small number of advisory groups chaired by bishops, who would support staff in the delivery of this important work.

Ministry Development	
Purpose	<p>Support the Board of Trustees through the oversight of all work relating to ministry development in the Church of England.</p> <p>The Ministry Development Committee would be supported in their work by several advisory groups chaired by bishops.</p>
Chair and Membership	<ul style="list-style-type: none"> ■ The Chair shall be the Lead Bishop for Ministry and it is expected that they would be appointed from amongst the elected episcopal members of CENS Board. ■ The membership, frequency and quoracy of the Committee should be defined by the CENS Board and set out in the Committee’s Terms of Reference.

Ministry Development

Responsibilities

The Committee would:

- a) exercise oversight of the ongoing development of ministry on behalf of CENS, specifically by:
 - (i) Supporting vocational development to supply diverse lay and ordained leaders to be able to meet the mission and ministry needs of the church as articulated by CENS and the House of Bishops.
 - (ii) Developing national frameworks and processes for the discernment of ordained and licensed lay ministries.
 - (iii) Developing the processes for initial ministerial formation, including the approval and quality assurance of providers of, and programmes for, those training on nationally recognised pathways; and to provide oversight of the effectiveness and sustainability of the network of Theological Education Institutions (TEIs).
 - (iv) Oversight of leadership development, including but not limited to both the development of potential future leaders together with initial training and ongoing ministerial development for senior leaders within the Church.
 - (v) Supporting the development of all forms of lay ministries.
 - (vi) Developing the national framework for clergy terms and conditions of service and wellbeing including as necessary advising on the formation of secondary legislation and statutory guidance.
 - (vii) Other matters as may be assigned to the Committee by the CENS Board or requested by the House of Bishops.
- b) The financial budgeting and expenditure and associated risk management for all activities associated with (a), save for the following which require prior approval of the CENS Board:
 - (i) The annual budgeting cycle which will be fully integrated into the wider budgeting process for the CENS.
 - (ii) Any decision to allocate resources more than the budget set out in the triennium funding and annual budget cycles, save that for the avoidance of doubt unless funds are specifically restricted then the Committee will have the flexibility to redirect funding between items.
 - (iii) Any decision to allocate more than £0.5 million to any project.
- c) Any decisions that could be regarded as contentious in the reasonable opinion of the Chief Executive Officer of CENS and likely to raise contested issues of wider application across the Church.



71. Unity, Faith, and Public Policy – The proposed Committee brings together the work undertaken by the Council for Christian Unity and the Faith and Order Commission in a single oversight body. We believe that this Committee could usefully provide a route for the oversight of wider public policy work and Lead Bishop support that is currently overseen by the Mission and Public Affairs Council. It is hoped that this would better mirror the equivalent provision in partner churches and in the wider Anglican Communion.

Unity, Faith and Public Policy	
Purpose	<p>Support the Board of Trustees through the:</p> <ul style="list-style-type: none"> ■ oversight of all work relating to Unity, Faith and Order for the Church of England. ■ oversight of the work of support for lead bishops in public policy. <p>The Committee would be supported in their work by several advisory groups, task and finish policy development groups and the committees and commissions directly connected with ecumenical work.</p>
Chair and Membership	<ul style="list-style-type: none"> ■ The Chair shall be a member of the Board and there should also be a Deputy Chair who is a member of the House of Bishops appointed by the Archbishops of Canterbury and York jointly and who would be the Chair of any Episcopal Reference Panel. ■ The membership, frequency and quoracy of the Committee should be defined by the CENS Board in consultation with the House of Bishops and set out in the Committee’s Terms of Reference.
Responsibilities	<p>The Committee would:</p> <ol style="list-style-type: none"> a) advise the House of Bishops, the General Synod, and the Church of England as a whole on matters of theology and public policy. b) advise the Archbishops, the NCIs, the General Synod and the House of Bishops on issues and proposals relating to Christian unity. c) promote and enhance effective ecumenical working at all levels of the church. d) be the main channel of communication with other Christian churches, the ecumenical organisations of which we are a member and (where ecumenical matters are concerned) the institutions and member churches of the Anglican Communion, on behalf of CENS, the House of Bishops and the General Synod. e) oversee and support the development of public policy. f) oversee the service of committees and commissions directly contributing to the above.



72. Mission and Pastoral Adjudication – The draft legislation sets out the independent membership and responsibilities of Mission and Pastoral Adjudication Committee.

Mission and Pastoral Adjudication Committee

(GS 2307 paragraphs 73-77)

Legislation Reference: Clauses 6 and 7

<p>Purpose</p>	<p>The Mission and Pastoral Adjudication Committee (MPAC) would act as an ‘arms-length’ committee of the CENS to provide the independent determinative and adjudicative functions required at national level with respect to Church Property consultations, Clergy and Episcopal Housing appeals and the determination of representations made concerning pastoral reorganisation and closed church property disposals.</p>
<p>Chair</p>	<ul style="list-style-type: none"> ■ The Chair of the MPAC should be legally qualified and appointed by the Crown. ■ They should be independent and may not be a serving trustee of any of the NCIs. ■ During the transition period, the Third Church Estates Commissioner should be the chair of the MPAC until the new chair can be appointed.

Mission and Pastoral Adjudication Committee (GS 2307 paragraphs 73-77)

Legislation Reference: Clauses 6 and 7

Membership

The Committee should be wholly appointed and consist of:

- six members of the General Synod appointed by the Appointments Committee of the General Synod:
 - two persons who hold the office of Diocesan or Suffragan Bishop, one from each of the provinces of Canterbury and York.
 - two clerks in holy orders, one from each of the provinces of Canterbury and York.
 - two members of the House of Laity of the General Synod, one from each of the provinces of Canterbury and York.
- six further members shall be appointed by the CENS on the advice of its Governance and Nominations Committee which shall include:
 - one person who holds the office of Archdeacon if not otherwise appointed from the General Synod as above.
 - one person who holds the office of Diocesan Secretary if not otherwise appointed from the General Synod as above and after consultation with the Diocesan Secretaries Liaison Group.
 - one person nominated by the Secretary of State of the Department of Digital, Culture, Media, and Sport.
 - two members of the Board of CENS with a responsibility to report on the work of the Committee to the Board and any potential financial risks.
- These individuals would be appointed based on a defined role description considering the skills and diversity required to support the work of the committee. A majority of the members of the MPAC must not be persons in Holy Orders.
- The importance of the 'independence' in the exercise of the adjudicatory functions would be preserved in any number of ways, but it is suggested that a trustee of any NCI may not also serve as a member of the MPAC (save for specific arrangements during the transition period).

Mission and Pastoral Adjudication Committee

(GS 2307 paragraphs 73-77)

Legislation Reference: Clauses 6 and 7

Responsibilities

The responsibilities of the MPAC arise from various duties in law to determine representations concerning certain church property matters, the housing of office holders and those made with respect to questions of pastoral reorganisation. The Committee would have the following responsibilities for:

- a)** the determination of representations:
 - (i) concerning pastoral reorganisation and the closure and future use of church buildings and made to the National body following the publication of draft Schemes and Orders under the Mission and Pastoral Measure 2011 (or its successor legislation).
 - (ii) from patrons and parochial church councils (PCC) against the sale, purchase, building or adaptation of parsonages.
 - (iii) from patrons and PCCs against the proposed disposition of parsonage sale proceeds from Parsonages Building Fund accounts for other purposes.
 - (iv) from incumbents and PCCs against transfers of parsonage land to diocesan glebe.
 - (v) regarding 'regulated transactions' in respect of the places of residence of office holders (including the sale of episcopal and archiepiscopal residences whereby any appeal would be referred to the MPAC).
 - (vi) from an incumbent or team vicar against a decision by the Parsonages Board not to undertake works identified in a quinquennial inspection.
- b)** granting consent for transactions or dispositions in non-objection cases where staff are minded to withhold consent; or where a connected person is someone, or related to someone, in a post of high sensitivity (e.g. diocesan secretary or archdeacon).
- c)** approving and overseeing:
 - (i) the preparation and issue by staff under delegation of Statements of Reasons setting out the basis for Committee decisions.
 - (ii) the preparation and submission by staff under delegation of rebuttals to applications for leave to appeal to the Judicial Committee of the Privy Council.

Safeguarding

73. The Programme Board remains conscious that the work of consultation by the separate Response Group to the review of safeguarding arrangements for the Church of England is underway. The Board makes no comment on the particular arrangements which may emerge from that work but has sought to ensure that the draft legislation can accommodate and not restrict particular arrangements which may emerge in due course.
74. Separate to any provision for the Church's safeguarding arrangements we believe that, in accordance with best practice in charitable governance, the respective NCI Boards should directly hold responsibility for the safeguarding of their own staff.

Church Commissioners

75. In the proposed governance structure, the Church Commissioners would continue to be responsible for the management of the historic endowment fund, focused on maximising sustainable distributions to support the mission and ministry of the Church of England.
76. Most of the non-investment functions of the Church Commissioners would transfer to the newly formed charity, CENS, with its focus on allocating resources to the wider church to support its work and mission. Transferring these activities to CENS, means that practical support for the wider Church, in terms of grants, guidance, professional services, and systems, would be provided by one NCI. Our hope is that will make things much easier for the users of our services, dioceses, cathedrals, chaplaincies, and parishes who must be at the heart of everything we do.

Funding Arrangements

77. The Church Commissioners would be responsible for determining the quantum of distributions available to CENS. The Commissioners would take actuarial advice to determine the level of distributions, whilst actively engaging with CENS and the wider Church to understand the current needs of the Church.
78. The Church Commissioners Board should ensure that adequate governance processes are put in place to assure itself that grant funding made to the new trustee body is applied in line with its statutory funding obligations. The Board of CENS would also be required to put in place reasonable process to assure itself that grants awarded have been deployed in accordance with its charitable purposes and that the outcomes support the furtherance of its charitable objectives.



Board Composition

79. GS 2307 proposed a reduction in the board membership of the Church Commissioners, to 16-17 members, to better align with recommended governance best practice. As legislation has been drafted, we have clarified questions in relation to specific board roles, which are outlined in the table below.

Board Composition Proposals		Legislation
Membership <i>GS 2307</i> <i>Paragraph 110</i>	Reduces the membership of Church Commissioners Board from 27 to 17 members. <i>(Charity Governance Code – 5.6.2)</i>	Clause 15
Role of the Archbishop of Canterbury (NEW)	The Archbishop of Canterbury is currently, by statute, the chair of the Church Commissioners. It is proposed that the Archbishop of Canterbury would become the President of the Church Commissioners and not serve as a trustee but would continue to chair the Annual General Meeting of the Commissioners.	Clause 15
Appointment of Chair (NEW)	The chair would be appointed from among the members of the Board (by tradition one of the members of the House of Bishops on the Board).	Clause 15
Third Church Estates Commissioner (NEW)	During the transitional period, the Third Church Estates Commissioner should serve on both the Church Commissioners Board and the CENS Board to ensure that there is a smooth transition for those functions moving from the Commissioners to CENS. The role would cease at the end of the transitional period. This arrangement should ensure that institutional knowledge at trustee level in relation to bishops, cathedrals and the Mission & Pastoral Measure is retained, whilst also providing assurance to Commissioners that staff whose areas of work have transferred to CENS are being well supported during this period of change.	Schedule 1 Clauses 7 and 15
KC Commissioner (NEW)	The requirement for an appointee to be or have been of Counsel to His Majesty should be amended to allow the Commissioners to appoint an appropriate senior legal professional, whether or not they are a KC.	Clause 15



80. With the proposed role of the Commissioners, focused on investments, and the Commissioners’ regulatory status as a Public Interest Entity, members of the Board of Governors will need specific skills, with strong knowledge of finance, investment, real estate, and risk.

Proposed Board Structure	Current Board Structure
<p>a) the Archbishop of York (the Archbishop of Canterbury would serve as President but would not be a member of the Board)</p> <p>b) the First and Second Church Estate Commissioners</p> <p>c) the Third Church Estates Commissioner (for a transitional period)</p> <p>d) two bishops elected by the House of Bishops of the General Synod from among their number</p> <p>e) two clerks in Holy Orders elected by the House of Clergy of the General Synod [whether or not those clerks are members of that House]</p> <p>f) two lay persons elected by the House of Laity of the General Synod [whether or not those persons are members of that House]</p> <p>g) seven persons nominated as follows-</p> <p>(i) three persons by His Majesty,</p> <p>(ii) four persons by the Governance and Nominations Committee of the Church Commissioners, one of whom should be a senior legal professional.</p> <p>Legislation Reference Clause 15 GS 2307 paragraph 110</p>	<p>a) the Archbishops of Canterbury and York</p> <p>b) the three Church Estates Commissioners</p> <p>c) four bishops elected by the House of Bishops of the General Synod from among their number</p> <p>d) two deans elected by all the deans</p> <p>e) three other clerks in Holy Orders elected by those members of the House of Clergy of the General Synod who are not deans [whether those clerks are members of that House]</p> <p>f) four lay persons elected by the House of Laity of the General Synod [whether those persons are members of that House]</p> <p>g) nine persons nominated as follows-</p> <p>(i) three persons by His Majesty,</p> <p>(ii) three persons by the Archbishops of Canterbury and York acting jointly,</p> <p>(iii) three persons by the Archbishops of Canterbury and York acting jointly after consultation with the Lord Mayors of the City of London and the City of York, the Vice Chancellors of the Universities of Oxford and Cambridge and such other persons as appear to the archbishops to be appropriate, and</p> <p>(iv) at least one of those nine persons being or having been of Counsel to His Majesty.</p>

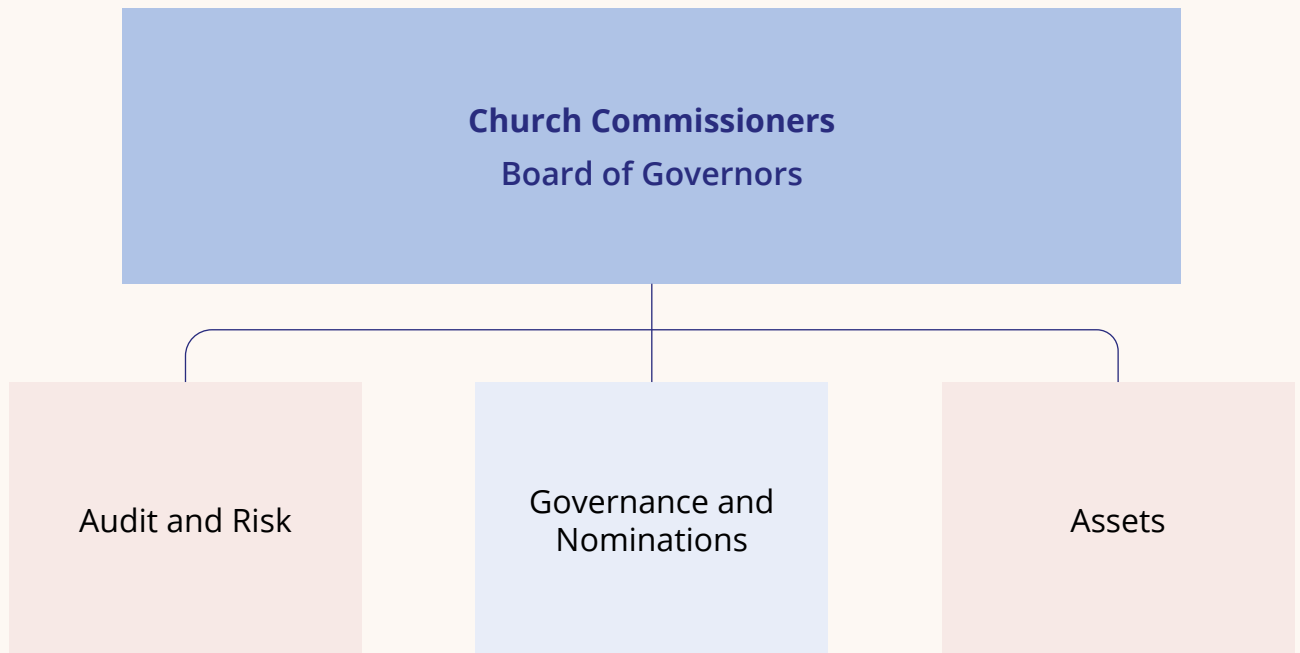
- 81.** Historically, three members of the Board of Governors have been appointed following consultation with the Lord Mayors of the City of London and the City of York, the Vice Chancellors of the Universities of Oxford and Cambridge, and such other persons as appear to the archbishops to be appropriate. Whilst reflecting the long historical development of the Commissioners, we believe that following consultation with these institutions these arrangements should cease and the Commissioners' Governance and Nominations Committee should be responsible for these appointments, following a competitive process, as is the Church Commissioners' practice today.
- 82.** The relationship with the Crown and the established Church should be maintained. Consideration was given to reducing the number of crown appointments (in addition to the First and Second Church Estates Commissioners) but it was agreed that this should remain unchanged.

State Commissioners

- 83.** There are thirty-three Church Commissioners. Six of the Commissioners hold Offices of State and have the right to attend the Annual General Meeting but are not Board members/Trustees, they are currently:
- First Lord of the Treasury
 - Lord President of the Council
 - Lord High Chancellor of Great Britain
 - Secretary of State for the Department of Digital, Culture, Media and Sport
 - Speaker of the House of Commons
 - The Lord Speaker
- 84.** Alongside the question of a reduced board composition, consideration has been given to the place of these State Commissioners. These Commissioners preserve the State's interest in the historic assets managed for the benefit of the Church. The State Commissioners remain a key channel for the accountability between Church and State in the arrangements. No changes are proposed to these arrangements.

Committee Structure

85. GS 2307 proposed some changes to the Church Commissioners committee structure, which were recommended based on the movement of functions to CENS and charity governance best practice. The diagram below reflects the structure following transition.



86. As is currently the case, it would be for the Board to determine the committees required to carry out its business at any time.
87. The **Assets Committee** would continue to have:
- a) an exclusive power and duty to act on behalf of and in the name of the Commissioners in all matters relating to the management of those assets of the Commissioners, the income of which is carried in the general fund, including power to sell, purchase, exchange and let land and make, realise, and change investments.
 - b) a duty to recommend to the Board from time-to-time what sums are available for application or distribution by the Commissioners and what sums should be appropriated to reserve and for reinvestment.
 - c) a duty to consider and report on any matter referred to them by the Board and to act on behalf of the Board in any matter in which they are authorised by the Board so to act.
88. The Assets Committee would continue to be supported in its work by any necessary sub-groups.



89. The change in size of the Board of Governors would require a small reduction in the membership of the Assets Committee, with the maximum number of lay Commissioners reducing from eight to six (there are currently seven). The membership of the Assets Committee currently comprises:
- a) the First Church Estates Commissioner
 - b) two Commissioners who are clerks in Holy Orders (at least one of whom must be a Commissioner elected by the House of Clergy of the General Synod) appointed by the Board for such period not exceeding five years as the Board determines, and
 - c) at least four but no more than eight lay Commissioners (at least one of whom must be a Commissioner elected by the House of Laity of the General Synod) appointed by the Archbishop of Canterbury for such period not exceeding five years as the Archbishop determines and each of whom is, in the opinion of the Archbishop, well qualified to assist in the management of the Commissioners’ assets.
90. The draft Governance Measure will provide for the Assets Committee to co-opt two non-Commissioner members, with relevant investments skills and experience.

Assets Committee Appointments Process		Legislation
Appointments NEW	Appointments would be recommended to the Board by the Governance and Nominations Committee rather than the archbishops.	Clause 16
Co-opted Members NEW	The legislation would allow the Commissioners to co-opt not more than two non-commissioner members to the Assets Committee.	Clause 16

91. The functions of the Church Commissioners’ **Audit and Risk Committee** would remain unchanged. The membership of the Audit and Risk Committee would comprise of at least four, but no more than six persons appointed by the Board for such period not exceeding five years as the Board determines, at least one of whom must be an elected Commissioner and at least two of whom must not be Commissioners, or trustees of another NCI.
92. The Church Commissioners should establish a **Governance and Nominations Committee** aligned to that of the CENS Governance and Nominations Committee.
93. GS 2307 recognises the need for there to be a short transitional delay in the transfer to CENS of the regulatory responsibilities defined in the Cathedrals Measure. The Bishoprics and Cathedrals Committee should continue as a committee of the Church Commissioners until such time as these regulatory responsibilities have passed to CENS and work with the Buildings – Policy and Co-Regulation Committee of CENS to ensure the necessary transfer of functions and assets is completed as swiftly as is reasonable whilst ensuring confidence in the new arrangements and in accordance with the transitional arrangements.



94. A successor to the Mission, Pastoral and Church Property Committee (MPCPC) is proposed to be placed on a statutory footing within the new arrangements. GS 2307 recognised the need for the transfer of the determinative and adjudicatory functions currently overseen by the MPCPC should happen at a later date and be subject to appropriate transitional provisions. It is proposed, therefore, that these functions, in the proposed new statutory and independent framework, should remain a committee of the Church Commissioners until the transfer to CENS.

Transfer of Non-Investment Functions

95. The table below sets out the proposed changes to non-investment functions of the Commissioners.

Non-Investment Function Proposals		Legislation
<p>Stipends and Pensions (Bishops, Deans and Residentiary Canons) GS 2307 Paragraphs 70-71</p>	<p>Bishops’ stipends and pensions and those of Cathedral deans and two residentiary canons would continue to be paid directly by the Commissioners. Legal advice highlighted that separating the legal responsibility for the pension payments of bishops and other dignitaries from the Commissioners’ endowment could materially weaken the pensions covenant of the Church of England Funded Scheme (CEPFS).</p> <p>The Commissioners should therefore retain the responsibility for the payment of these stipends, but the administrative responsibility for arranging and processing the transaction would pass to CENS.</p>	<p>Clauses 11 and 12</p>
<p>Bishops’ Working Costs GS 2307 Paragraphs 70-71</p>	<p>Bishops’ working costs would be the responsibility of CENS. Bishops’ working costs should form part of the core distributions made by the Commissioners to CENS. The staff responsible for the day-to-day administration of these processes would transfer to CENS, so we do not envisage any disruption to bishops and their teams.</p> <p>Certain discretionary Bishops’ legal costs would continue to be paid by the Church Commissioners.</p>	<p>Clauses 11 and 12</p>



Non-Investment Function Proposals	Legislation	
<p>See Houses (and other Heritage Assets) <i>GS 2307</i> <i>Paragraphs 67-68</i></p>	<p>See Houses (and other Heritage Assets like Lambeth Palace) currently under the ownership of the Commissioners should be transferred to CENS, with the relevant CENS staff team (currently NCI staff managed by the Church Commissioners) continuing to manage them as they do today.</p> <p>The funding for the ongoing maintenance of See Houses including the Heritage Assets, should form part of the core statutory funding allocation and CENS, as housing provider, would be under a duty to oversee and properly maintain these properties. CENS would also be responsible for the sale of properties that are no longer deemed suitable for operational use and the purchase of suitable properties.</p> <p>The transition of assets to CENS would be carefully co-ordinated in accordance with tax advice received and in consultation with the Church Commissioners Board.</p>	<p>Clauses 11 and 13</p>
<p>Bishops’ Offices Staff</p>	<p>Staff in Bishops’ Offices directly employed by the Church Commissioners would transfer to CENS.</p>	<p>Schedule 2 Clause 13</p>
<p>Lambeth Palace Library <i>GS 2307</i> <i>Paragraph 79</i></p>	<p>The staff of Lambeth Palace Library would become employees of CENS.</p> <p>The transfer of the Lambeth Palace Library and the new building to CENS would take place during the transitional period and in accordance with tax advice received and in consultation with the Church Commissioners Board.</p>	<p>Clauses 11 and 13</p>
<p>Co-Regulation of Cathedrals <i>GS 2307</i> <i>Paragraph 72</i></p>	<p>The Bishoprics and Cathedral staff team would transfer to CENS.</p> <p>GS 2307 set out that a short transitional delay in the transfer to CENS of the regulatory responsibilities defined in the Measure would provide greater levels of assurance to cathedrals, the Charity Commission, and the Church Commissioners that CENS had the operational capacity to manage the arrangements effectively.</p> <p>All parties should work together to ensure that the transitional provisions are met as soon as possible, so that service delivery benefits of having one NCI delivering most services to the wider Church can be realised.</p>	<p>Clause 11</p>



Non-Investment Function Proposals	Legislation
<p>Cathedral Grants <i>GS 2307</i> <i>Paragraph 71</i></p> <p>CENS would be responsible for the payment of various grants to cathedrals which are currently made by the Church Commissioners and set out in the Cathedrals Measure.</p> <p>Section 28 of the Cathedrals Measure, Paragraphs 4-8 sets out the discretionary grants which the Church Commissioners may make to Cathedrals, including:</p> <p>paying the stipend or other emoluments of any clerk in Holy Orders holding office in the cathedral, other than a dean or two of the residentiary canons</p> <p>paying the salary or other emoluments of any lay person employed by the Chapter or engaged to provide services in connection with the cathedral.</p> <p>The oversight of these grants would pass to CENS as agreed during the transition period.</p> <p>Grants currently payable to the chapter of a cathedral for the repair of a chancel, other than the chancel of the cathedral, which the chapter is wholly or partly liable to repair are currently being converted to be a statutory duty on the Church Commissioners should the draft Chancel Repair (Church Commissioner' Liability) Measure be approved. These will remain with the Commissioners but would be managed by CENS staff.</p>	<p>Clause 11</p>
<p>Churches Conservation Trust Grant <i>GS 2307</i> <i>Paragraph 78</i></p> <p>Oversight of the funding for the Churches Conservation Trust (CCT) should transfer to the CENS as part of its core responsibilities or grant allocations within the Church.</p>	<p>Clause 11</p>

Other NCIs

Church of England Pensions Board

- 96.** The Pensions Board is Trustee and Administrator of the three major centralised Church of England pension schemes all of which are regulated by The Pensions Regulator. An independent trustee board is a statutory requirement of pensions legislation. The Trustee operates the schemes in accordance with each Scheme's Trust Deed and Rules. The benefit structures are agreed by the 'employers' (in the future the benefit structure of the clergy scheme would be determined by the General Synod, acting on the advice of the Finance and Operations Committee of CENS). The Schemes are regulated by The Pensions Regulator.
- 97.** The Pensions Board is also the largest provider of clergy retirement housing, complemented by smaller local charities. Housing customers are all pension scheme beneficiaries. Mortgage activities are regulated by the Financial Conduct Authority. This regulatory position, and the requirement for the pension schemes to have an independent trustee body, underpins the Project Board's starting assumption that the Pensions Board would sit outside the various models discussed in this paper.
- 98.** GS 2307 proposed that the Pensions Board should remain a separate NCI, retaining responsibility for clergy retirement housing and acting as trustee for the pension schemes.

The National Society

- 99.** The National Society promotes Church schools and Christian education, and it was agreed as part of the consultation process that it should remain a separate NCI. The National Society's legal status is complicated by the fact that it covers both Church in Wales and Church of England schools. The National Society has recently reconstituted itself to comprise a reduced number of governing bodies to improve the effectiveness of its work in the field of education.
- 100.** The proposal makes much clearer the independent nature of the National Society as a separate charity providing services for and working alongside CENS. Once CENS has been in operation for three years, the relationship between CENS and the National Society should be reviewed to see how it might be possible to strengthen it further.

The Office of the Archbishops

101. It is proposed that the staff of the Archbishops at Lambeth Palace and Bishopthorpe should be transferred to CENS and operate as a joint departmental team within the new charity. The intention is that all the staff would sit within CENS, and the operational budgets be managed accordingly. The bringing together of the Office of the Archbishops and CENS would ensure that work is co-ordinated, aligned and properly prioritised while continuing to fully support the wider national and international roles of both Archbishops.

Statutory and Synodical Committees

- 102.** Within the governance structure there will continue to be a requirement for certain statutory committees and a range of synodical bodies. Staff of the CENS will continue to support these statutory and other committees including the Dioceses Commission, Liturgical Commission, Church Buildings Council etc.
- 103.** As a matter of good governance practice, quinquennial reviews of these bodies should be undertaken to determine whether they remain necessary.
- 104.** Some of these committees have a significant interplay with the CENS and their administration represents a significant allocation of resources by the CENS trustees. However, in governance terms, they stand more as a service provision by the CENS, rather than committees within the control of the trustees. We have included an indication of where a useful coordination of some of this work might sit within the indicative CENS committee structure.
- 105.** Any review of the General Synod is outside the scope of the current work, but it is assumed that the resourcing of the General Synod and its committees would remain a core function of the staff of the CENS.

Transitional Arrangements

106. We have indicated in this Policy paper where detailed provision will be needed to ensure an orderly implementation of the new arrangements. The tax advice we have obtained has made clear that a careful staging of implementation is required to ensure no inadvertent tax liability is incurred unnecessarily, and the detailed arrangements for transition will also be impacted by a range of other legislative provisions currently before the Synod or which are likely to be introduced in the near future.



- 107.** The NCGPB believes that at the point of implementation it will itself need to be reformed as an Implementation Steering Group, with an appropriate degree of independence, to oversee the smooth transition to the new arrangements and the work necessary to dissolve the existing charities.
- 108.** Rather than trying to provide legislative drafting which will only need to be later amended, the draft legislation contains enabling provisions for transitional arrangements to be confirmed by Order and for different parts of the legislation to come into operation at different times. We set out here an outline of some of the core stages which will need to be accomplished during transition.

Transition Timeline

Stage and Description	Possible Date
2025	
Final Approval	during 2025
Implementation Steering Group formed (this might precede Final Approval)	during 2025
Ecclesiastical Committee reformed after General Election	by Autumn 2025
2026	
Royal Assent to approved Governance Measure	Early 2026
Clauses to create CENS from appointed day	Early 2026
Appointment of Chair and initial Trustees confirmed by Synod – a limited initial group of trustees needs to be appointed to register the charity	July 2026
Addition of CENS to Joint Employment agreement (this allows staff to work across all the existing NCIs and CENS)	Summer 2026
Charitable Registration of CENS	Summer 2026
Election of CENS trustees by Synod and further trustee appointments	Summer 2026
Creation of Statutory Governance Committees of CENS (Audit and Risk and Governance and Nominations) Appointment of Chief Executive Officer	Summer 2026
Agreement of transitional CENS Committee Structure	Autumn 2026



Stage and Description	Possible Date
2027	
Appointed Day for the Transfer of Functions of Archbishops' Council (AC) and ChECS Functions of AC and ChECS transferred to CENS from start of financial year (Both charities will need to continue during 2027 to finalise accounts and oversee property transfers)	1 January 2027
Staff Transfers of AC, ChECS, Office of Archbishops, Buildings Division	1 January 2027
Transfer ChECS Trading as subsidiary company to CENS	1 January 2027
Transfer of Episcopal Support Functions	Spring 2027
Transfer of See House Property to CENS	Spring 2027
Transfer of directly employed Episcopal Staff to CENS	Spring 2027
Transfer of AC Property and Investment Assets to CENS	Spring 2027
Creation of Statutory Mission and Pastoral Adjudication Committee (with transitional chair of 3rd Commissioner)	No later than Summer 2027
Transfer of remaining non-investment CC staff to CENS	Summer 2027
Transfer of Pastoral and Closed Churches Functions to CENS	No later than Summer 2027
Transfer of Cathedral Co-Regulatory functions to CENS following confirmation with Charity Commissioners and signing	No later than Summer 2027
Dissolution of AC and of ChECS Company and Charity	No later than Summer 2027
2028	
Appointment of Independent Chair of the Mission and Pastoral Adjudication Committee	Spring 2028
2030	
Transfer of Lambeth Palace Library Building As part of the detailed VAT arrangement on the construction of the new library building a tax clawback was agreed which is triggered by the transfer of the asset before April 2030 – the operation of the library and archive will transfer in advance of the building.	April 2030

Annex A – Illustrative Delegation Framework

- A high-level illustrative Delegation Framework has been developed here, recognising that each NCI would be responsible for developing their own detailed Delegation Frameworks.
- The Delegation Framework sets out an illustration of the accountabilities for decisions within the National Church Governance Structure described in the Supporting Policy Document. Each of the NCI Boards would be responsible for delegating responsibilities to their own committees and staff.
- The Delegation Framework reflects that the House of Bishops and CENS will work closely together. The staff of CENS will support the House in the delivery of its work and the approval of the CENS Board will be required where the decisions of the House potentially impact agreed funding arrangements and the delivery of services to the wider Church.
- Trustee Boards delegate responsibility for a range of decisions to their sub-committees and these delegations will be set out in the Delegation Framework and the Committee Terms of Reference.
- The illustrative Delegation Framework does not detail which decisions will rest with senior NCI staff, such delegation is normal operating practice and will need to be set out clearly. It is the Programme Board's expectation that this is essential for the effective and efficient operation of the charities.
- All sub-committees are required to provide regular reports to their applicable boards.
- Where reports are presented to the Synod, they will be brought by the board of the relevant NCI.
- The illustrative Delegation Framework has been developed for the House of Bishops (HoB) and Church of England National Services (CENS).
- Further collaborative and detailed work would be needed to finalise the framework.

Delegation Framework – Illustrative

Area	Body	Decision	Does the CENS Board delegate this responsibility to a committee?	HoB Approval Required	CENS Board Approval	Synod Role	Change to Approvals	Frequency of Reporting
Vision and Strategy	HoB	To develop and agree the overarching vision and strategy (strategic principles) for the Church of England (in consultation with the wider Church).	Likely that the development of the Vision would be overseen by a steering group.	Consult College HoB approval	Consulted	Endorsed	No	
Doctrine and Worship	HoB	To agree proposals touching doctrinal formulae or the services or ceremonies of the Church of England or the administration of the sacraments or sacred rites.	Development of proposals likely to be overseen by a working group led by a bishop.	Consult College HoB approval	Consulted	Approve (Article 7 and 8 business process)	No	
Ministry	HoB	To agree the direction of policy in relation to Ministry Development. The House of Bishops will work with the Board of CENS who are responsible for the operational delivery of Ministry Development.	The Board of CENS will delegate, subject to agreed limits, the oversight of ongoing development of ministry to the Ministry Development Committee.	Consult College HoB approval	Approval may be required if there are policy, financial or operational implications.	The Board of CENS shall refer matters to the Synod from time to time.	No	
Public Policy Direction	HoB	To agree the direction of public policy in consultation with stakeholders from across the Church. The House of Bishops will work with the Board of CENS who are responsible for the operational delivery of public policy statements.	The Board of CENS will delegate, subject to agreed limits, the oversight of public policy development to the Unity, Faith and Public Policy Committee.	HoB approval	Approval may be required if there are policy, financial or operational implications.	The Board of CENS shall refer matters to the Synod from time to time.	No	
Strategy	CENS	To develop and agree CENS strategic objectives to support the delivery of those aspects of the agreed vision which are delivered nationally. Monitor performance against strategic objectives at each meeting of the Board of CENS (dashboard reporting).	No	-	Approve	-	No	



Area	Body	Decision	Does the CENS Board delegate this responsibility to a committee?	HoB Approval Required	CENS Board Approval	Synod Role	Change to Approvals	Frequency of Reporting
Annual Report	CENS	To review the Annual Report, ensuring it is prepared in accordance with applicable accounting standards and regulations.	Audit and Risk	-	Approve	Take Note	No	Annually
Financial Statements	CENS	To oversee the preparation of the Financial Statements, ensuring they have been prepared in accordance with applicable accounting standards and regulations.	Audit and Risk	-	Approve	Take Note	No	Annually
Appointment of External Auditor	CENS	To appointment the charity's external auditor.	Audit and Risk	-	Approve	-	No	
Annual Report of the Audit and Risk Committee	CENS	To review the effectiveness of risk management process, controls, and governance arrangements.	Audit and Risk	-	Approve	Take Note	No	Annually
Appointment of Chair	CENS	To oversee the appointments process for the Chair of CENS.	Governance and Nominations	-	Approve	Approve	New ²	
Appointment of CEO	CENS	To oversee the appointments process for the Chief Executive Officer.	Governance and Nominations	-	Approve	-	Yes	
Appointment of trustee	CENS	To oversee the appointments process for CENS trustees.	Governance and Nominations	-	Approve	Approve	No	
Appointment of committee members	CENS	To oversee the appointments process for CENS Committee members.	Governance and Nominations	-	Approve	-	Yes ³	
Board Effectiveness	CENS	To oversee regular board effectiveness reviews.	Governance and Nominations	-	Take Note and implement	-	-	
Statutory Diversity Reporting to Synod	CENS	To oversee statutory reporting to Synod in relation to the diversity of CENS Board and its committees.	Governance and Nominations	-	Approve	Take Note	Yes ⁴	Annually

² The Chair of the Board of CENS is a new position. The Draft Governance Measure requires the appointment of the Chair to be approved by the General Synod.

³ All CENS appointments are overseen by its Governance and Nominations Committee, save for appointments to the MPAC which are overseen by the Appointments Committee.

⁴ The Draft Governance Measure requires NCIs to report annually to Synod on its progress towards commitments made in its Diversity Charter, with specific reference to the composition of its Boards and Committees.

Area	Body	Decision	Does the CENS Board delegate this responsibility to a committee?	HoB Approval Required	CENS Board Approval	Synod Role	Change to Approvals	Frequency of Reporting
Budget	CENS	To agree the annual CENS budget.	Finance and Operations	-	Approve	Approve ⁵	No	Annually
Apportionment	CENS	To agree apportionment proposals.	Finance and Operations	-	Approve	Approve	No	
Triennium Funding Allocation	CENS	To agree how triennium funding should be allocated across the Church (consultation required with Church Commissioners Assets Committee, House of Bishops, and the wider Church).	Finance and Operations	-	Approve	-	No	Each Triennium
Triennium Funding Reporting Arrangements	CENS	To report at an agreed frequency to the CC on how triennium funding has been allocated and its impact in terms of mission and ministry.	Finance and Operations.	-	Approve		No	Report provided to the CC Board at agreed intervals
Pay Award	CENS	To agree the annual CENS staff increment in consultation with the Joint Employment Common Services Board (JECSB) ⁶ .	Finance and Operations	-	Approve	-	No	
HR Policies	CENS	To agree staff wellbeing, health and safety, culture and values, and joint policies inc. complaints policy, capability, and grievance procedures in consultation with the JECSB.	Finance and Operations	-	-	-	No	
Clergy Stipend	CENS	To agree, following consultation with the Dioceses, any increase in the national minimum stipend.	Finance and Operations	-	Approve	Clergy Stipends Authority Report	No	Annual
Legal	CENS	To oversee legal costs and provisions.	Finance and Operations up to agreed limits	-	Approve if above agreed limits	-	No	

⁵ In considering the annual budget it would not be open to the General Synod to alter the amount of sums to be made available to CENS by the Church Commissioners or the proposed application or distribution of those sums.

⁶ External Tax Advice has suggested that there would continue to be a need to retain a Joint Employment Common Services Board for the provision of shared services.

Area	Body	Decision	Does the CENS Board delegate this responsibility to a committee?	HoB Approval Required	CENS Board Approval	Synod Role	Change to Approvals	Frequency of Reporting
IT / Data	CENS	To agree IT and Data policies (security, data, infrastructure, cyber, etc) in consultation with the JECSB.	Finance and Operations (Technology and Data Group)	-	-	-	No	
Communications	CENS	To agree communications policies in consultation with the JECSB.	Finance and Operations	-	-	-	No	
Projects	CENS	To approve major projects to support the delivery of strategic objectives or to enhance infrastructure. (In consultation with the JECSB)	Finance and Operations up to agreed limits	-	Approve if above agreed limits	No	No	
Services	CENS	To oversee services provided to dioceses, including clergy payroll, IT support/ infrastructure, digital, etc.	Finance and Operations	-	-	-	No	
Grants	CENS	To award grants in accordance with triennial plans (i.e. Strategic Mission and Ministry, Cathedrals, Net Zero, etc).	Grants (recommendation of expert grants panels up to agreed limits)	-	Approve if above agreed limits	-	No	
Grants	CENS	To agree the Churches Conservation Trust Grant.	Grants	-	Approve	Approve	No	
Grants	CENS	To monitor performance in relation to grant funding.	Grants	-	-	-	-	
Grants	CENS	To agree that funding can be vired from one funding stream to another.	Grants up to agreed limits	-	Approve if above agreed limits	-	-	
Ministry Development	CENS	To oversee the development of policy and processes in relation to Ministry Development.	Ministry Development	-	Approval may be required if there are policy, financial or operational implications.	Approval may be required	No	
Ministry Development	CENS	To agree a national framework for ministerial formation.	Ministry Development	-	Approval may be required if there are policy, financial or operational implications.	Approval may be required	No	
See Houses	CENS	To agree whether a see house remains suitable for operational use.	Buildings - Policy and Co-Regulation	-	-	-	No	
See Houses	CENS	To approve the disposal of a see house.	Buildings - Policy and Co-Regulation	-	Approve if above agreed limits	-	No	

Area	Body	Decision	Does the CENS Board delegate this responsibility to a committee?	HoB Approval Required	CENS Board Approval	Synod Role	Change to Approvals	Frequency of Reporting
See Houses	CENS	To approve a major works programme – i.e. Lambeth/ Bishopthorpe Palace Refurbishment of a named heritage asset.	Buildings - Policy and Co-Regulation	-	Approve if above agreed limits	-	No	
See Houses	CENS	To approve any changes to major works programmes.	Buildings - Policy and Co-Regulation	-	Approve if above agreed limits	-	No	
Co-Regulation	CENS	To oversee cathedral co-regulation.	Buildings - Policy and Co-Regulation	-	-	-	No	
Pastoral Reorganisation and Church Property Representations	CENS	To determine representations made with respect to parochial reorganisations and Church Property Measure matters.	The legislation sets out that although the Mission and Pastoral Adjudication Committee is a committee of CENS, it is independent and free to make determinations without reference to the Board.	-	Sometimes reference to Finance and Operations re defending appeals to the Judicial Committee of the Privy Council.	-	Yes	

Annex B – Financial Memorandum

1. The National Church Governance Programme has three delivery phases, i) design, ii) transition and iii) implementation. The first two phases were budgeted for during the current Triennium.
2. Project expenditure predominantly relates to salaries and professional fees. In July 2023, the Programme Board reported a forecasted expenditure of £1.6m for the first two phases of delivery. This cost is now forecasted to increase by £250k, due to the unforeseen delay in the introduction of the legislation.
3. In developing the updated forecast for the first two phases, the following key assumptions have been made:
 - a) Draft legislation is introduced for First Consideration in July 2024
 - b) Final approval achieved by July 2025
 - c) Royal Assent granted by early 2026.
4. Implementation is expected to begin in early 2026, subject to Royal Assent being granted. The potential costs to implement and launch CENS as a new legal entity and to conclude the transitions outlined, are currently estimated to be between £4-5 million, but more detailed estimations will be developed as part of the 2026-2028 Triennium Funding Process.
5. In early 2024, a high-level review of the potential VAT and other tax implications of implementing the proposals was undertaken by external tax consultants. Their initial assessment indicates that the proposed governance structure does not materially alter costs associated with VAT, but that the calculation methodology would need to be confirmed and agreed with HMRC in advance of restructuring. The assessment also identified some specific asset transfer considerations that would need to be considered when moving assets to CENS.
6. The future operating costs of the NCIs are expected to be broadly in line with current operating costs. The Programme Board believes that drawing together many of the NCIs' strategic, operational, and professional teams within one charitable entity, will enable its future executive team to find synergies, to develop organisational structures that are operationally more efficient and to deliver better service to the wider Church.

Annex C – Membership

Membership of the National Church Governance Programme Board:

Rt Hon Sir David Lidington

Independent Chair

Rt Revd Andrew Watson

Bishop of Guildford

Alison Coulter

Vice-chair of House of Laity, Archbishops' Council Member

The Very Revd Mandy Ford

Dean of Bristol

Carl Hughes

Chair of the Finance Committee of the Archbishops' Council

The Venerable Luke Miller

Prolocutor of Canterbury and Archbishops' Council Member

Rosie Slater-Carr

Chief Operating Officer Church of England Central Services

Alan Smith

First Church Estates Commissioner and Archbishops' Council Member

The Revd Mark Steadman

Chief of Staff to the Archbishop of York

The Revd Canon Dr Flora Winfield DL DD

Third Church Estates Commissioner

Staff Team

Stephanie Harrison


Harvey Howlett

Mahtaj Hattle-Spence

Amy Page

Adeola Eleyae – Legal Adviser



 THE CHURCH
OF ENGLAND