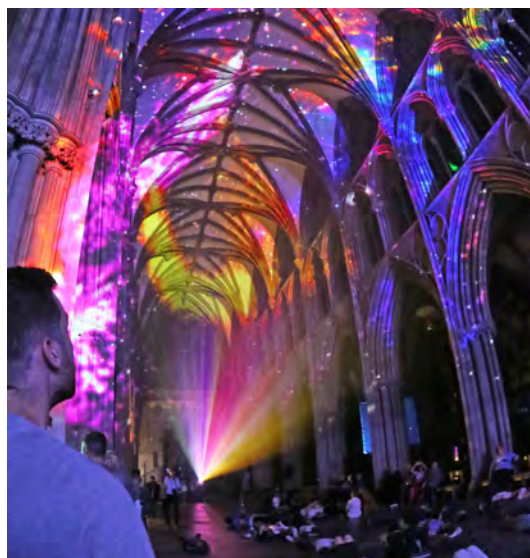




The Archbishops' Council

Annual Report and Financial Statements
for the year ended 31 December 2019





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for the year ended 2019

Registered Charity Number 1074857



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Presidents' Foreword



This is the Archbishops' Council twentieth annual report. We give our heartfelt thanks for the prayers and the hard work of all those who we work alongside in the dioceses, parishes and National Church Institutions in helping to achieve so much. Our annual report for 2019 focuses on the central role played by the Archbishops' Council in supporting the mission and ministry of the Church of England.

Through its Renewal and Reform programme, the Council continued its work of bringing more people to Jesus Christ; enabling every church to be equipped to make and sustain disciples and encouraging vocations to lay and ordained ministry. The Council has been active in ensuring that every church has the ministry and leadership it needs for the Church to continue to be a growing church for all people, in all places. In 2019, a further £21.3 million of strategic development

funding (SDF) was awarded, to support dioceses' plans for mission and growth. We also welcomed another overall rise in the number of vocations to ordained ministry for the second year running. There were 1,361 ordinands in training in 2019 (compared with 1,344 last year). There has been another small increase in ordinands of Black, Asian and Minority Ethnic (BAME) heritage, to 8.4% of 2019 starters (compared with 8% in 2018).

Growing Faith, the vision to build relationship between church, schools and households to ensure children leaving a Church of England school continue to engage with core concepts about Christianity was welcomed by General Synod and adopted by Dioceses. The Council encouraged this by distributing resources to promote prayer in the home to more than 300,000 schoolchildren in 2019.

2019 also marked the 25th anniversary of women's ordination to the priesthood. We celebrated those who paved the way in 1994, with services held at cathedrals and churches throughout the country. Today, the number of women entering training for ministry continues to grow and we uphold those whose way into ministry was opened since. Women now make up nearly a third of the 20,000-active clergy in the Church of England. By the end of 2019, we had welcomed 25 female bishops – among them, the Revd Preb Rose Hudson-Wilkin, who was one of the most influential and effective ministers in the public square, through her long service as Chaplain to the Speaker of the House of Commons. 2019 was also the year we said goodbye to Dame Caroline Spelman, Second Church Estates Commissioner. We pay tribute to her long record as a dedicated

public servant and her courage, determination and commitment to the Council's work.

Amid the divisive political uncertainty of 2019, working to defuse tension and hostility, the Council commissioned and launched resources inviting communities for drop-in Church 'teas' across the country, to join in conversation and prayer about our nation in churches across the country, as Brexit discussions reached a pivotal point. The Council's Liturgical Commission and Mission and Public Affairs teams prepared resources that encouraged churches to invite people to join in dialogue and prayer for unity, peace and reconciliation in our nation and our ongoing relationship with Europe.

Calling for civility and respect in how we speak about and treat each other at a crucial moment in the life of our nation and country, we endeavoured to be the same force for social cohesion in the digital sphere as we have sought to be in the real world. This was amplified through our social media charter, detailed in the section on Resources for the Church, Objective Six). We continue to work to make social media a safe and enlightening space.

The Council operated against a backdrop of many significant events, national and global:

the urgency of climate change continued to be a major theme in 2019, with the Amazon Rainforest fires exposing an emergency without international boundaries. The Council continued to press for action on protecting the environment (as detailed in the section on Common Good, Objective Four).

Since the end of 2019, the global COVID-19 outbreak and social distancing measures have necessitated significant changes in how churches engage with their communities. We share in the sorrow of these communities at the effects of this virus and our prayers are with all who are affected in whatever way. Regrettably, the pandemic has resulted in postponement of most church activities, including weddings and baptisms, and significant restrictions on others such as funerals. However, we are delighted to see innovation and creativity across the Church as we develop new ways of engaging with our communities in particular the use of technology to live stream church services. We have given clear and detailed advice and guidance on our website, ensuring it is updated regularly, and are actively considering how we can best support parishes and dioceses in this difficult time.

The Church of England, at the heart of local communities, continues

to strive for the common good, educating one million children, providing 33,000 social action projects, supporting the vulnerable, running 16,000 church buildings across the country and sharing Christ's love. We pray that God will continue to build a growing Church, empowered by the Holy Spirit, throughout England to see the Gospel lived and proclaimed in word and deed. We look ahead with conviction, hope and prayer – encouraged and inspired by the life, death and resurrection of Jesus Christ.

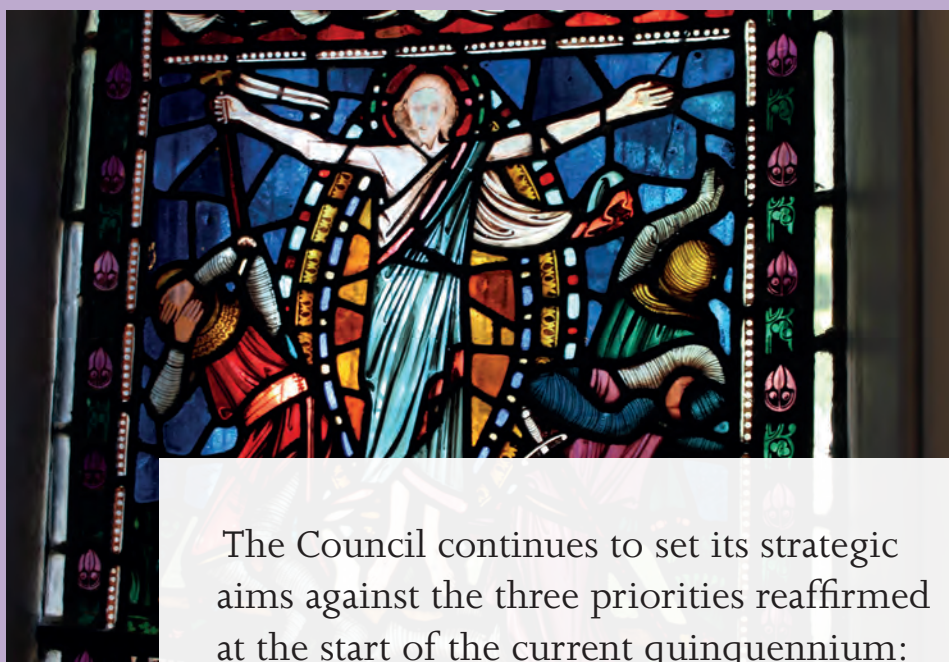
 **Justin Cantuar:**

 **Sentamu Ebor:**

The Archbishops' Council

The Council was established under the National Institutions Measure 1998

to provide focus for leadership and executive responsibility and a forum for strategic thinking and planning.



The Council continues to set its strategic aims against the three priorities reaffirmed at the start of the current quinquennium:

- 1 Contributing to the common good;
- 2 Promoting the spiritual and numerical growth of the Church;
- 3 Seeking to re-imagine, reshape and re-energise lay and ordained ministry.

The Council's Objectives

The Council's statutory object is to:

Coordinate, promote, aid and further the work and mission of the Church of England.

Set against its three priorities (see opposite page) the Council seeks to do this through its nine objectives, explored in more detail in the pages that follow:

- | | |
|-----------------|------------------------------|
| 1. Evangelism | 5. Education |
| 2. Discipleship | 6. Resources for the Church |
| 3. Ministry | 7. Safeguarding |
| 4. Common good | 8. Governance for the Church |
| | 9. A Church for All People |



Financial Summary

These graphs opposite page] show the breakdown of 2019 income and expenditure for the Archbishops' Council. The work of the Archbishops' Council is principally resourced by contributions from Church of England dioceses and funds made available to it by the Church Commissioners. Under the terms of the National Institutions Measure, the Council distributes money made available by the Church Commissioners each year to support ministry and mission in the dioceses. Resources expended as shown analysed by the Council's nine objectives.

The Church Commissioners and Archbishops' Council prepare joint three-year spending plans. In 2019 a Triennium Funding Working Group, with members from the House of Bishops, Archbishops' Council and Church Commissioners, advised on how funds expected to be available from the Church Commissioners should be most effectively distributed in 2020-22, informed by three priorities agreed by the House of Bishops:

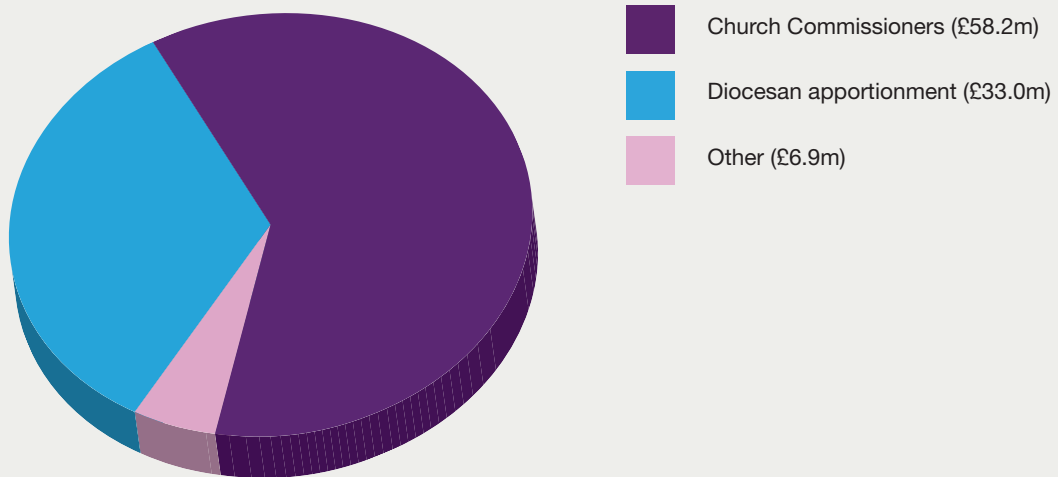
- Investment in recruiting and training new ministers – helping dioceses deliver the Church-wide goal of increasing the number of ordinands by 50%;
- Supporting dioceses in making strategic investment in change programmes designed to produce 'good growth';
- The continuation of specific funding to help dioceses to support mission in lowest income communities.

The final spending plans included sums for the following new categories of expenditure which will begin in 2020:

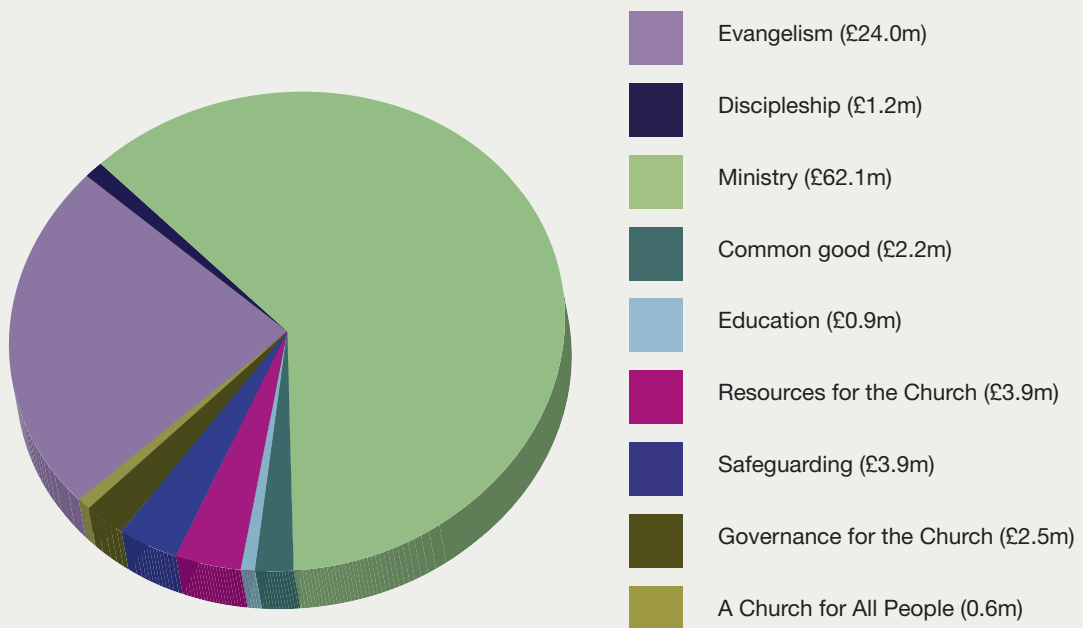
- To meet training costs for the incremental increase in ordinands and support dioceses with the incremental costs of an increased number of curates resulting from this increase.
- To support dioceses with financial difficulties wishing to undertake a major programme to provide a platform for the Church's sustainable growth.
- A grant to enable the Archbishops' Council to seed a social impact investment programme.

The main reason for the significant decrease in expenditure was the decrease in grants payable. In particular a decrease in Strategic Development Fund (SDF) grants awarded (accounted for under the Council's Evangelism objective) from £64.1 million in 2018 to £21.3 million in 2019. In aggregate across the 2017 – 2019 triennium £130.0 million of SDF grants were awarded. Further explanation on this issue is set out in the financial review section of this report.

Analysis of 2019 incoming resources of £98.2m



2019 Resources expended (£101.3m) by activity:



From the Secretary General



The work of the Archbishops' Council in 2019 continued to focus on its programme of Renewal and Reform, the body of work aimed at supporting the Church of England's intention of being a growing Church for all people, in all places.

2019 was the fourth full year of the work of Renewal and Reform. During this year, the Council worked with the House of Bishops and the Church Commissioners to prepare for the next three-year period from 2020 to 2022.

The Council's work continues to be organised around the nine objectives which the Council established in 2017.

The first two of these are Evangelism – to bring more of the people of England to the faith of Christ through the Church of England – and Discipleship – to strengthen the Christian faith and life of all who worship God in the Church of England. These two are complementary and mutually reinforcing. The Council devotes a very considerable proportion of its expenditure, funded by distributions from the Church Commissioners, to these objectives. In particular, the Council has awarded £21m in Strategic Development Fund Grants to dioceses and other organisations to support strategies for Church growth. It has allocated £2 million from 2016-2019 for

work in the digital sphere on Evangelism and Discipleship. One output of this investment is that 23.6 million were reached in 2019 through digital campaigns at Advent and Christmas, and Lent and Easter. The Council has sought to strengthen the support it provides to dioceses through these grant programmes, and through consultancy, advice and other support. It has been developing programmes of activity which dioceses can choose to participate in if they are relevant for their local context and mission strategy: these include areas such as Fresh Expressions, sports ministry, support for youth evangelism, and others.

A key development in 2019 was the General Synod's endorsement of the House of Bishops' commitment to "Growing Faith". This is not an initiative, but a commitment to wholistic support for building and sustaining the faith of children and young people, crucially bringing together work in churches, in schools, and in households and families, and providing better support for the connections

between those three components. This work engages both the Education Office jointly sponsored by the Council and the National Society, and the Evangelism and Discipleship Team, and covers several of the Council's objectives.

Support for mission among children and young people is one of the two key themes of SDF grants. The other is support for the most deprived communities. These helped govern the allocation of grants in 2019 and will continue to do so in the coming three years. Dioceses continue to bring forward exciting projects in deprived areas. This has included an increasing emphasis on mission on the estates, in cities and towns, in which so many of the people of England live, but where church attendance is very often low. The Church's aspiration to increase the numbers entering ordained and lay ministry continues. After a very substantial increase in 2017 and 2018, the number entering training for ordained ministry in 2019 dipped slightly, but we remain confident of an upward trend. This is particularly marked amongst

candidates for stipendiary ministry. Given the strength of the previous two years, the overall number of ordinands in training still rose slightly in 2019. The problem of success which I identified last year (how to pay for the cost of training and deployment of the additional numbers of priests entering ministry?) has been addressed. In 2019 the Council agreed with the Church Commissioners, with the blessing of the House of Bishops, a significant allocation of additional money over 2020 to 2022, and for the nine years thereafter, to pay for the additional training costs of new clergy, and a major national contribution to dioceses' costs for deploying them as curates.

Last year we were able to establish for the first time the scale of the Church of England's contribution to the common good through social action (33,000 social action projects led, hosted by, or supported by Church of England churches). In 2019 the Council has continued to support such activity in a wide range of ways, but with some particular areas of focus:

- Work on housing and community, through the Archbishop of Canterbury's Commission;
- Measuring carbon consumption and working to shrink the Church's carbon footprint. This priority has been reinforced by the General Synod in February 2020, which voted to adopt a target for the Church of net zero carbon by 2030;

- The Clewer Initiative on modern slavery and work on refugee resettlement;
- We also highlighted, through debates in General Synod, the position of some of the most marginalised in society.

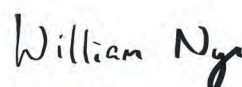
During 2019 we have sought to strengthen further the Church's commitment to safeguarding, both through restructuring the national team, and improving our engagement with survivors. We have appointed a National Director for safeguarding. We engaged extensively with the Independent Inquiry into Child Sexual Abuse, which produced an interim report on its Anglican Church workstream in spring 2019 and held further hearings into safeguarding in the Church of England in July. We have increased links with groups of survivors and are concluding a round of independent audits of safeguarding in cathedrals.

Council staff also continue to support the governance structures of the Church of England and provide advice and consultancy to dioceses and churches on a range of areas. A continuing priority was the work of the "Living in Love and Faith" project, which will produce a suite of learning and teaching resources on marriage, relationships, sexuality and identity in the summer of 2020.

We have responded to recent developments on COVID-19 and social distancing by transitioning to a remote working model until it is appropriate to meet again

as staff at Church House. I am grateful to all staff for how they have responded to this challenge and how they are ensuring the work of the Council can continue through these unprecedented times. I also thank those working in other Church contexts including parishes, cathedrals, dioceses, schools and Theological Education Institutions which have made similar adaptations.

Finally, I would like to thank those who have stepped down from the Council during 2019 for their service to the Council: Mary Chapman, the Ven Cherry Vann, Canon Mark Russell, and Rebecca Salter. I also express my thanks to the senior members of the Council staff who left in 2019: Sir Roger Singleton as Interim Director of Safeguarding, Aneil Jhumat, Director of Risk Management and Internal Audit, and Stephen Slack, Head of the Legal Office. During 2019 we welcomed three new permanent directors, Christine Hewitt-Dyer as Director of People, Melissa Caslake as Director of Safeguarding, Bishop Chris Goldsmith as Director of Ministry, and the Revd Alexander McGregor was promoted to Head of the Legal Office. I am grateful to them all, and to all the staff of the Council, for their contributions to another significant year.



**William Nye, LVO
Secretary General**

1 | Evangelism

Objective: to bring more of the people of England to the faith of Christ through the Church of England.

2019 goal: to have developed focused implementation plans for the six operating priorities of the Evangelism and Discipleship team in order to 'motivate the million'

Six operating priorities developed:

1. So that every person is equipped to be a witness in every part of their lives:

The *Talking Jesus* Course, aimed at inspiring Christians to share their faith with others, was created in 2019 and was in use by 25 dioceses by the 2019, with 7,000 training courses sold. The *Culture of Invitation* project to increase the number of regular church attenders who feel able to invite somebody to a church event completed its pilot project in Chester and Bristol dioceses.

2. So that every person is released, as part of the whole people of God, to live out the Good News of Jesus Christ confidently in all of life:

The Archbishops' College of Evangelists was re-launched in 2019 to support the Church of England's ambition of training 1,000 new evangelists over the next five years to share the good news of Jesus Christ. With figures showing that around 16 million people take part in sport regularly in England, the Council began work on supporting pilot projects in dioceses on sports and wellbeing

ministry. The strategies aim to help the Church of England to reach more people with the message of the Christian faith and promote the wellbeing of communities. Seven dioceses were taking part in the pilot schemes across the country at the time of launch in 2020. In addition, a Strategic Development Funding grant was made in 2019 for the first time to promote sports ministry through activities such as football, netball and fitness training in the Diocese of Norwich, alongside holiday sports schemes and sports clubs aimed at children and young people.

3. So that every church prioritises children and young people in and for evangelism and discipleship:

Work began with senior leaders and chaplains from secondary schools on building a bank of resources for use in schools, churches and households in line with the Growing Faith programme. The Amplify ecumenical project aimed at 11 to 18-year olds was launched with 63 young people from different Christian denominations signed up in the first wave, with the aim of developing 100 young Anglican evangelists over three years. The Youth Evangelism Task Group was also set up, headed by the Bishop of Southwell and Nottingham. Senior youth leaders of the largest 50 youth groups in the Anglican church were invited to become part of a new 'Vanguard' leaders'

group, aimed at sharing ideas and successful practice with other churches.

4. So that every Church is a Welcoming Worshipping Community to those taking first steps on their faith journey:

Work continued on projects to help parishes to reach the estimated 15 million people a year who attend baptisms, weddings and funerals, through the Council's 'Life Events' programme. This included helping churches to encourage people to enquire about baptisms, weddings and funerals through the *Just Ask* advertising campaign, with pilot projects in Hereford and Gloucester dioceses. New resources were being developed as part of the *From Stranger to Friend* project, after a launch conference in 2019, to help churches welcome people encountering the Christian faith for the first time. The campaign aims to work in 70 pilot parishes in seven dioceses. The Life Events online diary was launched in 2019, helping churches to foster long term relationships more easily with people who come for baptisms, weddings and funerals.

5. So that every Church has considered developing a new worshipping community:

The General Synod gave overwhelming backing in 2019 to an expansion of the Fresh Expressions movement, the non-traditional

forms of church gatherings which currently attract more than 50,000 regular worshippers. The five-year pilot Greenhouse project to create and sustain Fresh Expressions churches in 10 dioceses across the country began work in Lichfield and Canterbury dioceses.

6. So that every leader is trained and equipped to be envisioned and competent to lead in evangelism and release disciples

Working with Lambeth Palace, an online toolkit was created to help people seeking advice on leading their church in evangelism with the aim of 5,000 leaders viewing at least one module of the resources over the next three years. A successful day training course for bishops was held on 'leading your diocese in evangelism' with this course replicated in 2020 for cathedrals. The Council also continued its work with the *Equipping Christian Leadership in an Age of Science* project, run in partnership with Durham and York universities, to promote greater understanding between science and faith. The project includes conferences for senior church leaders and clergy on areas of scientific interest. Grants made through the project helped fund church-run events throughout 2019, including an installation at Lichfield Cathedral and a science festival at Ely Cathedral, commemorating the 50th anniversary of the Apollo 11 moon landing.

2019 goal: to have equipped three-quarters of dioceses through national programmes such as *Thy Kingdom Come*

Thy Kingdom Come, the Archbishops' annual ecumenical prayer movement, enjoyed a fourth year of success, reporting record participation levels with two million Christians in nearly 90% of countries worldwide, across 65 different denominations and traditions taking part between Ascension and Pentecost. Reflecting the global growth, resources have been translated into many languages including Arabic, Finnish, Malagasy and Maori.

A wide range of organisations encouraged their networks to join in prayer throughout *Thy Kingdom Come*, including Mothers' Union, the Evangelical Alliance, Christians Against Poverty, and the Christian Police Association. A special resource was also produced for children this year; with 380,000 copies of the Family Prayer Adventure Map distributed, whilst in 2019 the *Thy Kingdom Come* app was downloaded in almost 100 countries worldwide – more than twice as many as compared with 2018.

2019 goal: to have developed and run compelling LentPilgrim, EasterPilgrim and #FollowTheStar Advent and Christmas campaigns to help people on their faith journeys and encourage local church attendance

Towards the end of 2019, the #FollowTheStar campaign, to encourage more people to attend church services over the Advent and Christmas period, enjoyed a second successful year. The number of times content from the campaign was seen on social

media rose 59% to 12.6 million compared to 7.9 million in 2018. More than 25,000 services were added to AChurchNearYou.com over the festive season. In 2019 the site received more than 38 million-page views. The number of times the Lent Pilgrim and Easter Pilgrim campaigns were seen on social media increased to 6.9 million in 2019. This compared to the LiveLent campaign in 2018 which was seen 3.4 million times on social media.

The Epiphany project was established to work with eight dioceses to provide resources for two Sundays in the New Year 2020 as part of efforts to encourage people to return to church after attending services over Advent and Christmas as a result of the FollowTheStar campaign.

2019 goal: to have supported three-quarters of dioceses deliver mission and growth through the award of Strategic Development Funding

£21.3 million of Strategic Development Funding was awarded in 2019 to support a further 10 projects in dioceses to support their plans to develop their mission and financial strength. Since the end of 2017, over £125m of SDF has been awarded, to support 53 major projects in 36 dioceses. This exceeds the 2019 goal of supporting three-quarters of dioceses to deliver mission and growth through the award of Strategic Development Funding.

2 | Discipleship

Objective: to strengthen the Christian faith and life of all who worship God in the Church of England.

2019 goal: completing the first phase of Discipleship Learning Communities (with 25 dioceses engaging with up to 300 churches) and reporting on the practical learning.

The Council was active in 2019 in promoting ongoing and new campaigns to help deepen the faith of Christians – in turn giving congregations greater confidence to spread the Good News of the Gospel.

A total of 23 dioceses completed the first three discipleship 'learning communities' (DLCs), working directly with 114 worshipping communities and 58 separate deaneries. The communities sought to promote the take up of the *Setting God's People Free* (SGPF) programme, aimed at seeking effective ways to build up the whole people of God to live out their faith in homes, schools, communities and places of work. In addition, after an initial pilot period with a group of its churches, the Diocese of Chester expanded the initiative to all 273 of its parishes; the Diocese of Lichfield engaged all its 429 parishes with SGPF materials; and the Diocese of Oxford was actively reaching its 600 churches. A potential 2,400 parishes were directly engaged with SGPF resources.

The *Motivating the Million* campaign, aimed at encouraging the estimated one million regular worshippers in the Church of

England to be more confident in talking about their faith, was given backing by the General Synod. A new national lead for evangelism and witness was appointed with the task of putting this campaign into practice.

The General Synod acknowledged the challenges the Church faces in reaching children and young people, many of whom may never have heard the Christian message before. Members endorsed the vision of the *Growing Faith* programme, for every aspect of mission and ministry to be viewed through the lens of its implications for children, young people and their households.

Social media and the digital sphere were also major elements in promoting discipleship, with Church House Publishing, the Church of England's publishing arm, reporting record numbers of people seeking Christian prayer and reflection online through the use of apps to read the 'Daily Office' of morning, evening and night prayer. The apps were accessed more than five million times in 2019 and people spent an average of eight minutes on the Daily Prayer app. The Church of England's Alexa Skill, launched in 2018, with prayers, explanations of the Christian faith and details of where to find the nearest church service, reported that it had been asked more than 150,000 questions in the first 18 months. Major ongoing campaigns in 2019 included #LiveLent and #FollowTheStar. The LiveLent

campaign reached 6.9 million people.

The Council was keen to learn more about how to deepen the faith of people attending Messy Church, the successful Fresh Expressions movement first founded 15 years ago by the Bible Reading Fellowship. A grant of £100,000 was awarded by the Council to study deepening the discipleship of Messy Church congregations, focused on Bristol, Durham and Hereford dioceses.

2019 goal: seeking to engage 500 congregations (or up to 10,000 people) with Setting God's People Free (SGPF) resources and 20,000 people with the #EverydayFaith campaign.

Work began on preparing the *Everyday Faith* campaign launched on Plough Sunday in January 2020, providing reflections and prayers to help people find and follow God in their everyday lives. More than a million people saw Everyday Faith content organically on social media, and content was engaged with more than 30,000 times. A total of 13,000 individuals signed up to receive daily reflection emails. The app was downloaded 3,500 times (bringing the total number of downloads for the campaign app to over 38,000) and opened 12,000 times during the campaign. Church House Publishing had sold 10,000 copies of the Everyday Faith reflections booklet by early 2020.

The *Disciple Enablers Network* included more than 900 people signed up to the Setting God's People Free influencers mailing list, receiving regular updates on available resources and stories of everyday faith. In addition, direct diocesan work – such as the Diocese of Chichester's lay conference, the Diocese of Oxford's personal discipleship plans, and the Diocese of Leicester's everyday faith leaflet – reached a minimum of 7,000 individuals. With pilot parish lists taken into account, more than 10,000 individuals were reached.

2019 goal: producing initial material on the practical theological vision for the vocation and witness of lay Anglican Christians in the home, workplace and community and developing appropriate measures for assessing aggregate progress.

In July 2019 the Faith and Order Commission (FAOC) published *Calling All God's People: A theological reflection on the whole church serving God's mission* – a practical resource offering some theological starting points to reflect on one's calling and the calling of all God's people. In July, a colloquium was held to discuss the booklet at Lambeth Palace; with 100 delegates hearing talks on calling, discipleship and ministry.



3 | Ministry

Objective: to ensure there are sufficient ordained and lay ministers of the required gifts and qualities, who are effectively deployed to enable the Church of England to fulfil its mission, and to support those ministers in their calling, development, ministry and retirement.

2019 goal: to achieve a further 10% increase in vocations to ministry compared to 2018 (to a total of 635)

The year saw key announcements to ensure that the growth in vocations, part of the programme of Renewal and Reform, is fully funded for the future. Up to £63 million was approved to meet the full additional costs of training ordinands to help dioceses deliver the Church-wide goal of providing for future ordained ministry through increasing the number of ordinands by 50%. This figure also included support for dioceses who can apply for funding as a result of an increased number of curates.

There were 1,361 ordinands in training in September 2019, up from 1,344 at the same time the year before. A total of 547 ordinands began training, down from 587 last year, or a 6% reduction, but a 15% increase when compared to 2016. Of those beginning ordination training, 54% were women although only 14% of these women were in the youngest age band of under 32. There was another small increase in ordinands of black, Asian and minority ethnic heritage, to 8.4% of 2019 starters. This rise comes amid an increase in the number of minority ethnic vocations

'champions' in the dioceses and the expansion of annual minority ethnic vocations conference to a series of regional gatherings.

After a longer Bishops' Advisory Panel season running into August, 551 candidates were recommended to train for ordination, a 5% reduction compared to 580 in 2018 but a rise of around 16% when compared with 2016 figures.

2019 goal: to complete the discernment framework and changes in selection processes for ministry

The first training sessions for the new Shared Discernment Process for ordained ministry took place over 2019. The current selection criteria will be replaced by a focus on qualities and there will be a new two-staged discernment process with this coming into operation in Autumn 2020.

2019 goal: to begin to map a pattern for lifelong learning among lay and ordained ministers through formational criteria, Ministry Development Review (MDR) and Continuing Ministerial Development (CMD) in partnership with Theological Education Institutions (TEIs) and dioceses

2019 saw two key vision documents for Ministry approved by the House of Bishops. A wide-ranging *Ministry for a Christian Presence* was followed by a more specific *Vision for Ministerial Formation*. Work has begun on developing this Vision into a Strategy for Ministerial Formation which will include areas such as finance, lifelong learning, the shape of the TEI sector and quality assurance.

Several key appointments were made in 2019. A New Director of Ministry was appointed, taking on the lead role in supporting the continuing renewal of ministry throughout the Church of England as the Council sought to increase the scale and diversity of those called to both lay and ordained ministries. A Champion for Lay Ministries was appointed, to lead the Council's efforts to renew, encourage and

promote all forms of lay ministry across the country – and to enable growth in both the numbers of lay ministers and their development as theologians and key partners in ministry. A New Head of Vocations also took up her post, to encourage an increase in both the number and diversity of those entering training for ordained ministry

Ministry Experience Scheme

National funding was announced for the Ministry Experience Scheme (MES) – the year-long placement for people aged between 18 and 30 years – following its successes in encouraging new vocations. The scheme continued to grow with 113 participants enrolled in 2019, an increase of 19% from 2018. There are now 25 dioceses running MES schemes, up from 20 in 2018.

Living Ministry research programme

The third major report from the mixed-methods Living Ministry project, which is following four cohorts of clergy through their ministry for 10 years to understand what helps them to flourish, was published. *Ministerial Effectiveness and Wellbeing: Exploring the Flourishing of Clergy and Ordinands*, supported qualitative findings that the mental wellbeing of clergy is at its most vulnerable

during the transition into first incumbency. Findings include a positive connection between wellbeing and effectiveness, and between both these aspects of flourishing and pastoral supervision support.

Following the presentation and debate at General Synod in July, the Covenant for Clergy Care and Wellbeing was overwhelmingly approved, committing parishes, dioceses and the wider church as well as individual clergy to sharing responsibility for the welfare of ministers and their households.

4 | Common Good

Objective: to contribute to transforming our society and communities more closely to reflect the Kingdom of God through loving acts of neighbourliness and service to all.

“

Britain's housing crisis is one of the major challenges facing this country – and it is hitting the poorest hardest. While there is already significant work being done to find solutions, the Church has something unique to contribute”

Justin Welby,
Archbishop of Canterbury.

Supported by Council staff, the bishops addressed a range of issues from child poverty and the scourge of modern slavery to reducing the destructive impact of gambling addiction. In 2019, our churches continued to run or support more than 33,000 social action projects across the country, ranging from food banks to debt counselling and bereavement support to language tuition.

2019 goal: to launch the Archbishop of Canterbury's Commission on Housing and Community.

In 2019, the Archbishops' Commission on Housing, Church and Community was launched. The Commission is comprised of ten members, each appointed to bring specific expertise, grouped into four streams of work: Theology; Policy; National Church Institutions and Dioceses; Local Church and Community, combining academic and industry expertise with the lived experience of those affected by them, to explore the ways the Church can lead on developing real solutions from the granular – through to systemic change. In 2019, a national symposium was held, drawing together voices from across religious, political and social spectrums to engage with policy makers and government.

The primary focus of the commission is to reimagine housing policy, by exploring the Christian perspective on good homes and thriving communities and looking at what actions the Church can take, in partnership to help tackle the current housing crisis at a local, regional and national level.

The housing crisis is one of the most urgent issues affecting the country, which has resulted in increased homelessness – both visible and hidden. In 2019, General Synod also voted in favour of a Private Member's Motion calling on the formation of a Homelessness task force.

The Housing Commission will draw together its work and specific recommendations in October 2020.

2019 goal: to resettle 50 refugee families with local and national Church of England input.

The Council continued to play a leading role in promoting and steering the Community Sponsorship Scheme (CSS), with 20 schemes resettling 50 families in 2019 – the highest number by any Principal Sponsorship organisation. The Council is currently devising its post 2020 CSS strategy.

The Council's National Refugee Welcome Coordinator (representing the Church of England) continued to be active on the Home Office Steering Committee in 2019 for the Refugee Employment Network, to enable employers to better engage with the provision of employment for over-qualified refugees. Work continued on encouraging Universities and Colleges to provide refugee scholarships and bursaries and to promote the "Lift the Ban" campaign to enable Asylum Seekers to work.

In the House of Lords, the Family Reunion Bill was supported by Church of England bishops and work continued on the Safe Passage campaign, chaired by the Bishop of Croydon, to highlight the plight of the many unaccompanied minors who that are being refused family reunion with relatives in the UK.

2019 goal: to complete the action programme of the Clewer Initiative on Modern Slavery with engagement with every diocese in place.

The *Clewer Initiative*, a programme aimed at mobilising the Church of England's 12,000 parishes in the battle to eradicate modern slavery, support the victims and identify the signs of exploitation in communities continued its work. A report published in 2019 by Nottingham

University showed that more than 900 reports had been made of potential modern slavery through its Safe Car Wash app since its launch in 2018. By the end of 2019, the Clewer had engaged with 39 dioceses.

The *Let's Talk* campaign further equipped the Church to understand what modern slavery looks like, and how to respond to protect the vulnerable with 1,000+ posters and other guidance materials developed and distributed to night shelters nationally, raising awareness of the dangers of modern slavery amongst homeless people with steps to safeguard guests from this danger. 2019 goal: to increase awareness of the Church's common good vocation through generating increased traffic on the new social action web pages.

There have been 236,530 views across the community and social action web pages and content on the Church of England website. Work will continue in the 2020-22 triennium to advance and highlight this work.

2019 goal: to establish effective measures of carbon consumption used by most parishes nationally and to continue to shrink the Church of England's carbon footprint.

In 2019, the Council welcomed the

Government's commitment to "net zero" emissions by 2050 and the Church's Environmental Working Group (EWG) published a guidance paper for all parts of the Church to recognise the Climate Crisis and step up action, to safeguard God's creation. Furthermore, the Council appointed a new National Environment Officer to take forward the strategy developed by the Environment Working Group for the Church of England. This new post reflects the Council's focus on the environment as a theological and mission priority. The new postholder will complement the work that the Cathedrals and Church Buildings team is doing to support parishes and dioceses to reduce their carbon footprint, prepare their buildings for the effects of climate change, and offer support to communities in times of crisis.

Furthermore, an Energy Footprint Tool was designed in 2019, offering energy audits for churches, schools and houses, which will enable collection of carbon footprint data at parish level from 2020.

The Council also encouraged churches and communities to hold sustainability events during the Season of Creation in 2019, including cleaning local waterways, planting trees and allowing churchyards and other spaces to grow wild in order to encourage biodiversity (it is estimated that six

Common Good | Continued

“

Ours is the first generation to know the full scale of the risks posed by climate change and could be the last able to do anything about it.”

**Bishop of Salisbury, Nicholas Holtam,
Chair of the Church of England's Environmental Working Group.**

out of 10 churches in England have churchyards, roughly equalling the area of a small national park).

In 2019, General Synod voted to accelerate the Church's existing Environmental Programme, calling on every diocese to put an environmental programme in place, overseen by a designated member of the bishop's staff team.

On a global stage, the Council's Environmental Working Group responded to the World Economic Forum's 14th Global Risks Report, warning of the “peril of inactivity and delay, which particularly places the economically poorest people in our world at risk of devastating consequences”.

On Social Action

The Council's Mission and Public Affairs Division, together with the Child Poverty Action Group: conducted and published research on the impact of the two-child limit in tax credits and universal credit: *All Kids Count: the impact of the two-child limit after two years*. The Council's work on *Valuing People with Down's Syndrome* (following the 2018 General Synod motion) continued. In 2019, with support from Mencap, a comprehensive toolkit was created, to raise awareness and to provide information for Church leaders, Church workers and Chaplains, to assist them in gaining a better understanding of issues relevant to people with Down's syndrome. The toolkit is due to be launched in 2020.

In Parliament

Working with the Council's Mission and Public Affairs Division, Bishops issued open letter on the prospect of a no-deal Brexit and the need for national reconciliation.

The Civil Partnerships, Marriages and Deaths Act (Bishop of St Albans bill to put mothers' names on marriage certificates (to end 'historic injustice')) received Royal Assent in 2019.

On Gambling

The Council continued to work to lobby the government following 2019 General Synod motion calling on the Government to reduce (quantity and pervasiveness of) gambling advertising and to introduce a levy for gambling firms to help fund research and treatment programmes to combat addicting.

“

More children gamble each week than drink, smoke or take drugs. This generational scandal sees young people immersed in social media and tech platforms where the gambling industry relentlessly promote their products as part of a £1.5bn annual spend”

Bishop of St Albans, Alan Smith.

5 | Education

Objective: to promote high-quality Christian education in Church of England schools and voluntary education settings, and through our Church contribution to other schools, colleges, further and higher education institutions.

As the largest single provider of education in England and in line with the Church of England's role as the established Church, our vision continues to be for the common good of the whole of society, expressed through our key values, of wisdom, hope, community and dignity. Church of England schools continue to play a vital role at the heart of their communities.

With more than one million students attending 4,700 schools, the Education Office supports the Archbishops' Council and the National Society, the original Church of England charity responsible for education, to advance the breadth of work – across 12,600 parishes, Diocesan Boards of Education, schools, colleges and 11 Anglican foundation universities. Our vision is to equip a new generation of young people to shape society and contribute meaningfully to an increasingly complex and globalised world. In 2019, we continued to adapt to significant changes in society to ensure we can continue to play a vital role at the heart of communities, as we have accomplished for the past 200 years.

2019 goal: to prioritise Church's mission with children and young people through *Growing Faith*:

Through *Growing Faith* (a key part of the Archbishops' Council's focus on equipping the whole Church to think intergenerationally) we continued to encourage strong relationships between church, school and household. We created resources to promote prayer and build confidence to pray in the home, such as prayer maps, which were distributed to more than 300,000 schoolchildren in 2019. Furthermore, seven dioceses started pilot work on *Growing Faith* with groups of parishes and schools to develop this new practice in ministry with children and young people. Our aim is for children leaving a Church of England primary school to continue to engage with core concepts about Christianity through secondary school and beyond. The *Growing Faith* curriculum development work has begun in partnership with the Council's Ministry Division with four Theological Education Institutions (Cranmer, St Melitus, Cuddesdon and Trinity), while a digital resources development programme has begun, in partnership with the Council's Communications Office, working with 25 secondary schools to create and curate *Growing Faith* content for schools, churches and households.

2019 goal: to scale up the Foundation's facilitated leadership networks and to enrol 500 schools:

In 2019, the Church of England's Foundation for Educational Leadership hosted its biggest national conference yet, *Rethinking Resilience* – which drew together 400 leaders and 200 students from across the country, as the Government announced its new plan for character education, with Education Secretary, Damian Hinds, laying out five Foundations for Building Character and pledging to work with schools and external organisations to help every child access activity in: Sport, Creativity, Performing, The World of Work, and Volunteering & Membership).

In 2019 our national professional qualification for headship, accredited by the Department for Education (DfE) was highly rated by DfE's external independent assessor and successfully trained 150 aspiring headteachers. The Diocese Education Leadership Programme (for new and aspiring Diocesan Directors of Education) has trained 36 staff across two residential cohorts. The Foundation's Peer Support Network has grown to over 750 schools across four streams



Today approximately 1 million children attend 4,700 Church of England schools

- A quarter of primary schools and more than 200 secondary schools are Church of England.
- The Church is the biggest sponsor of academies in England with 250 sponsored and more than 650 converter academies.
- There are 22,500 Foundation Governors in Church schools recruited, trained and supported by dioceses.
- Each diocese runs a Diocesan Board of Education supporting Church schools, which represents an annual investment of over £15 million.



– National Secondary Leadership Network, Rural Schools Network, MAT Peer Support Network and Diocese Peer Support Network.

2019 goal: to launch our vision for education in the Higher Education (HE) and Further Education (FE) spheres:

Faith in Higher Education, developed and produced in 2019, offers a platform to shape the Church's engagement with all universities by asking fundamental questions about the nature and value of higher education. The vision is offered as a contribution to national debate about the purpose of higher education today. It will be launched on 11th March 2020 in the House of Lords with plans for dissemination and engagement with universities during 2020.

2019 goal: increasing the Church's engagement in the Further Education sphere:

In 2019 the Education Office worked with a group of Further Education (FE) Colleges and explored detailed options for greater engagement with FE. It is now pursuing one of those options to transform the church's role within FE. The scale and ambition of this work means it will require significant support from external partners and a fresh articulation of the Church of England's vision for FE is underway to help generate that support during 2020.

2019 goal: to continue to support dioceses bidding for new Free schools and other new provisions:

In 2019 changes and delay to the government's programme for Free Schools led to a reduction in the

number of new schools approved, however the Education Office continues to support dioceses and MATs in bidding for new schools and 48 new schools have been approved, with the Church of England being the most successful bidder in the most recent round. There are plans to bid for many more as policy develops.

Shaping Policy:

In 2019, new guidelines for the teaching of relationships and sex education (RSE) set to become law in 2020, were launched by the Government. The Church of England (as the biggest single education provider in the country) engaged in close consultation with the government to ensure the guidance promotes faith sensitive and inclusive RSE, focused on respecting the beliefs and practices of people with a specific faith commitment and those from the many different types of families that make up our cultural context. Prior to the new guidelines becoming law in autumn 2020, we issued a Charter for Relationships, Sex and Health Education (RSHE) for schools to sign up to as they develop policy in this area to help children and young people to develop the skills they need to form healthy, resilient relationships within a pluralistic society.

6 | Resources for the Church

Objective: to help dioceses and cathedrals to be most effective in their mission, by providing cost-effective national and specialist services and advice.

The Council provided specialist services and support to churches and dioceses over a range of areas in 2019, from supporting innovative uses of our church buildings and ensuring our buildings and historic interiors are in good condition to further the mission of the church – to training and support for churches to help them use their social media and websites for evangelism and discipleship.

2019 goal: to provide quality resources for major Church of England campaigns

2019 LentPilgrim and EasterPilgrim:

- More than 40,000 copies of *Pilgrim Journeys* booklets sold (increase of almost 15% on 2018)
- Daily audio reflections via *LentPilgrim* and *EasterPilgrim* apps (downloaded 14,000 times)
- Explainer videos for Ash Wednesday, Palm Sunday, Maundy Thursday, Good Friday and Easter Day helped to bring to life what happened at each of these key moments (watched 164,045 times)
- Good Friday and Easter Day video prayers (seen more than 300,000 times)

2019 Daily Prayer (for Thy Kingdom Come)

Worship for Daily Prayer resources: full-colour booklet (30,000 copies distributed), Android and iOS app, Audio from app also on SoundCloud and Alexa, over 6,000 app downloads in 10 days, 28,000 app sessions, over 16,000 audio plays in the app (4,000 on SoundCloud). Overall 4.3 stars on iOS/Android: 'Heavenly.'

2019 Advent and Christmas resources (FollowTheStar):

Twelve Days of Christmas Wonder daily reflections and accompanying family activities were created in a variety of formats including booklets, email, app, smart speakers and on the Church's social media accounts:

- More than 133,000 of the *Twelve Days of Christmas Wonder* reflections distributed.
- The app was downloaded more than 33,000 times; the audio was played more than 13,000 times.
- Daily emails had an average open rate of 44 per cent (more than double the industry average)
- Weekly Advent reflections from Archbishop Justin Welby (were also played on BBC Sunday Worship)

A Church Near You (ACNY) continued to grow over 2019 as a key strategic platform for the Church, as it remains at the heart of all national campaigns, to encourage people into their local worshipping community. In 2019, the site received 38.5 million page views, with 80 per cent of visitors on the site for the first time. There are 17,500 editors on ACNY (an increase of 1,000 since 2018) keeping church pages up to date.

2019 goal: to train 1,000 people in web and social media

Training across the country continued, equipping parishes and dioceses with skills in broadcast, print and social media to share the Church's message more effectively in today's changing communications landscape. In 2019, more than 2,000 have been trained in social media and websites, to help them use digital platforms. A further 500 churches have also attended a Church of England Labs Learning Roadshow, inspiring and equipping them to use all that social media and websites offer to grow their local worshipping community.

In this vital and growing area, we also launched our first ever social media guidelines in 2019, aimed

at tackling offensive behaviour and misleading content and fostering a positive atmosphere for online conversations.

Together with the guidelines, we launched a digital charter and encouraged Christians and others to sign up to it. The charter is centred on five principles: truth, kindness, welcome, inspiration and togetherness.

“Each time we interact online we have the opportunity either to add to currents of cynicism and abuse or to choose instead to share light and grace” – Justin Welby, Archbishop of Canterbury.

“I thank the Church of England for their community guidelines and the digital charter... We will continue to engage with the Church of England as this work progresses. This is an opportunity to lead the way and work with others globally. Through this work we will protect citizens, increase public trust in new technologies and create the best possible basis on which the digital economy and society can thrive.” – Lord Ashton of Hyde, Minister for Digital, Culture, Media & Sport.

2019 goal: to develop and implement our vision of buildings actively serving mission

As part of our goal of ensuring our buildings and historic interiors are in good condition to further the mission of the church, in 2019 the Council's Cathedral and Church Buildings Division's fabric repairs and conservation grants

programmes provided £679,616 to 90 projects in parish churches in 33 dioceses in England and two projects for the Church in Wales, helping parishes with urgent fabric repairs and conservation projects.

Furthermore, we secured an extension of the Government's Listed Places of Worship Grants Scheme (LPWGS) until 2021 – paying grants equal to the VAT incurred on repairs such as urgent structural work and new roofs, reducing the fundraising burden on churches and congregations. This is part of our ongoing work to develop strong partnerships with government to help fund capital repairs of our churches. Additionally, we published new guidance documents in 2019, which included *A User's Guide to the Care of Cathedrals Measure*, as well as updated guidance on liturgical furnishings in cathedrals. Practical guidance on energy efficiency, heating, lighting, and cathedral inventories are forthcoming in 2020.

In 2019, General Synod (the Church's Parliament) approved new simplified Faculty Rules, which will give parishes greater certainty over when a decision will be made on Faculty applications. The rules will take effect from April 2020. The Online Faculty System, which is now used by 36 of 40 eligible dioceses, is being updated to reflect these changes and ensure a seamless transition to the new legal arrangements.

2019 goal: to develop a new plan for income generation, including broadening the adoption of the Parish Giving Scheme to 30 dioceses

By the end of 2019, the Parish Giving Scheme had 27 dioceses as members and a further seven are projected to join by the end of 2022. Furthermore, by September 2019, a new National Giving Strategy was approved by the Archbishops' Council and funding agreed by the Strategic Investment Board, supported by the House of Bishops Delegation Committee. This will be implemented from 2020. It has three priorities: fund additional diocesan giving advisors to support parishes; enable over half of our churches to take contactless donations and develop training, guidance and advice for clergy and laity on giving and generosity. A strategy for developing new ways to generate income will be developed during 2020.

2019 goal: to grow the number of subscribers to Pathways by 20%

In 2019, our development of the Pathways system (an online recruitment service promoting vacancies for clergy, employed, and volunteer positions across the Church of England) continued and is now actively used by 33 dioceses, marking more than a 20 per cent increase from last year (2018: 27). It is also used by three Cathedrals and the three major Patron groups

7 | Safeguarding

Objective: to ensure all children and vulnerable adults are safe in the Church.

The Council's National Safeguarding Team continued its work during 2019 with a new leadership structure, engaging openly and constructively with the Church's final IICSA hearing and announcing details of three independent reviews into its handling of cases. The main focus throughout the year has been ongoing engagement with survivors including the announcement of an independent helpline for anyone who wants to come forward, as part of its Past Cases Review 2 (PCR2). Survivors continued to inform and input Synod debates as well as support the ongoing work around the Safe Spaces project. Learning from audit was also an ongoing focus with the completion of diocesan safeguarding audits, now all published, and continuing work on cathedral audits.

Some of the key outcomes of 2019 included:

Support for, and engagement with, victims and survivors of abuse:

- **Social Care Institute for Excellence (SCIE) assigned to facilitate Survivors Reference Group:**
- Group now has terms of reference and draft strategic framework for engagement.
- Survivors attended the National Safeguarding Steering Group (NSSG) for first time and led a day's session at the national

safeguarding summit.

- Survivors continue to inform rollout of Safe Spaces project.

Constructive engagement with the Independent Inquiry into Child Sexual Abuse, IICSA, hearing into Anglican Church in England and Wales:

The Archbishops' Council National Safeguarding Team, (NST):

- Supported the two-week programme of giving evidence both before and during the hearing in July 2019.
- Developed a number of commitments through its responses to the Inquiry (it will be making a progress report on these to IICSA in March 2020).

A final report from IICSA's Anglican Church workstream is expected in summer 2020 with recommendations for the Council.

Audit and review:

- Past Cases Review 2 (PCR2) guidelines announced for all dioceses with independent helpline, work is expected to be completed by the end of 2020. The issuing of this guidance is part of the ongoing scrutiny work around past cases across the Church, and follows a report in 2018 into the original PCR (2007-2009) which revealed shortcomings both in the process and final result.

- For the first time the NST published a report with headline data analysis of the self-assessments of all dioceses.
- Review of existing business plan, with a greater focus on strategic impact for 2020: proposal to consolidate policy documents agreed by National Safeguarding Steering Group.
- SCIE cathedrals independent audit programme continued (and is on track to complete to projected timeline).
- Three independent learning lessons reviews into the Church's handling of cases announced and started including:

Bishop Whitsey - the Church supported a police investigation into allegations of sexual offences against children and adults by the late Bishop Whitsey.

John Smyth - a review of the Church's handling of abuses carried out by the late John Smyth. The Terms of Reference show that the review will also consider the response of the other organisations involved.

Trevor Devamanikkam - review into the Church of England's handling of the allegations relating to the late Revd Trevor Devamanikkam.

National Safeguarding Panel

(NSP): independently chaired by Meg Munn the NSP continued to undertake scrutiny of key areas of work as well as successfully recruiting further independent Panel members:

- The response to IICSA.
- Prevention of abuse in a church context.
- Development of core principles for responding to complaints.

The panel make recommendations which are communicated to the National Safeguarding Steering Group. Meg Munn writes a regular blog and more information on the discussions highlighted above can be found at <https://chairnsp.org/>

Structure:

- Director of Safeguarding post introduced and permanently recruited with Melissa Caslake, former Executive Director of Children's Services for the Royal Borough of Kensington and Chelsea and City of Westminster, starting work in the summer. She took over from Sir Roger Singleton who had worked as interim director from the beginning of the year. The director reports to the Secretary General of the Archbishops' Council.
- Appointment of David Worlock as Deputy Director for Development – covering training, policy and quality assurance.

8 | Governance for the Church

Objective: to operate the national governance arrangements of the Church of England as cost-effectively as possible in pursuit of the Church's mission.

Much of the Church's policymaking at national level is conducted through its national governance bodies, including the General Synod, the House of Bishops, the Church Commissioners and the Archbishops' Council itself, as well as various bodies and committees of these groups.

2019 goal: providing policy support and coordination for the Legislative Reform and Simplification workstream under 'Renewal and Reform'

Simplification and Legislative Reform is a strand of work within Renewal and Reform, seeking to remove barriers to mission and ministry through revising the existing legislative framework for the Church. The aim is to devolve the functions of the Church to the local level, reflecting the reality of a Church that serves diverse communities and localities.

Simplification means decisions at diocesan and parish level can be made more flexibly, supported by legislation more in step with the reality of life for churches today.

In 2019, General Synod voted to approve legislation increasing flexibility for worship schedules in multi-parish benefices. Sunday worship continues to be central to the Church of England's ministry, but this change was designed to make life easier for multi-church

benefices and normalised the already widespread practice of services moving from church to church within a benefice on consecutive days and weeks.

Synod approved a revised set of Church Representation Rules, simplifying many aspects of Church governance. Cathedral governance reform will carry forward the recommendations of the Cathedrals Working Group (with the draft Cathedrals Measure and the setting up of a Revision Committee). The first order under the new streamlined law-making process enabled by the Legislative Reform Order was also passed, concerning procedures for filling vacant benefices.

2019 goal: improving working relationships across governance bodies in preparation for the elections to those bodies in 2020

The Triennium Funding Working Group, involving representatives of the Archbishops' Council, Church Commissioners and House of Bishops demonstrated how the three different bodies can work together successfully to achieve shared goals. This model of joint-working will be used as a template for future cross-organisational work. There will be a further joint meeting with the Archbishops' Council and Church Commissioners in September 2020 to assist with

continuing efforts to ensure joined-up policymaking.

2019 goal: improvements to episcopal meetings, the Archbishops' Council Board Effectiveness initiative and Synod modernisation workstream

There was further work in 2019 to formulate a new approach to the agendas and format of meetings of the House of Bishops, to enable space for appropriate reflection when making significant decisions. The new Board portal for the Archbishops' Council was developed, ready to be piloted to its members, with protocols established for the Archbishops' Council sub-committees to report on their activities and decisions. As a service to Synod members, further enhancements have been made to the new Synod App. This is now used extensively for Requests to Speak; with significant improvements to access for those with disabilities.

Other areas

In 2019, the Archbishop's Commission on the relationship of the Channel Islands to the wider Church of England made recommendations for the future. These will now go forward to General Synod and the Island authorities for consideration, and recommendation to the Privy Council.



9 | A Church for All People

Objective: to be a Church that can provide a welcoming home for all people in England.

The Archbishops' Council is committed to diversity and welcome in the Church of England as one of its major goals – and the Church's historic vocation to use its place at the heart of every community to work for reconciliation, justice and the flourishing of all people.

On Race and Ethnicity

2019 goal: to deliver stronger strategic thinking and action on work with BAME people and communities in the light of the College of Bishops' engagement with BAME clergy:

Through its Committee for Minority Ethnic Anglican Concerns (CMEAC), the Council continued to identify and take forward BAME Anglicans' concerns and making recommendations for change.

Demonstrating its commitment to encouraging the participation and ministry of BAME heritage people in churches, in 2019, the Council launched a Persian language translation of Holy Communion (authorised by the House of Bishops) to support the growing number of Iranians in congregations. The new liturgy, designed to be used alongside English language liturgy, not only affirms the presence of Iranians in churches, enables them to follow and participate in services but demonstrates the Council's commitment to welcoming ethnic

diversity into the life of the Church of England. (See picture: overleaf).

In the words of the Bishop of Loughborough, Gulī Francis-Dehqani: "This translated service of Holy Communion is hugely significant within the life of the Church of England as we seek to find ways of recognising the diversity which is increasingly the reality of the Church of England."

Unconscious Bias (U/B) Training:

45 people from across the church trained to deliver U/B training and by the end of 2019 more than 700 U/B training sessions have been delivered across the Church.

2019 goal: to extend work on inclusion to Gypsy, Roma and Traveller communities:

In resolve to combat racism in all its manifestations, General Synod gave its backing (motion passed overwhelmingly by 265 votes in favour with one against) to a call for the Church of England to oppose the racism directed against Gypsy, Roma and Traveller communities, by voting to request that every Church of England diocese appoints a chaplain to Gypsies, Travellers and Roma communities. As a result, the Council's Mission and Public Affairs Council is now taking steps to evaluate the provision of sites for Gypsies and Travellers in wider housing policy, recommending Church bodies to play their part in

lobbying for and enabling land to be made available for such sites; and request the Lords Spiritual and staff of the National Church Institutions to meet with representatives from Her Majesty's Government and Loyal Opposition, as well as leaders from Local Government, including the Local Government Association, to co-ordinate and collaborate on shared plans to make traveller stopping points available across England, to develop community cohesion.

On Disability

2019 goal: to work with the Committee for Ministry of and among Deaf and Disabled People (CMDDP) to improve the effectiveness of the Church's ministry and mission among disabled people, including guidance and standards on accessibility of church buildings:

The Council secured external funding to commission a report to investigate how best the church can improve support needed for ordinands with disabilities. The research explores different areas – including BSL signing for D/deaf ordinands; specialist computer equipment for ordinands with dyslexia, specialist training for ordinands with specific learning differences, costs of carers attending a residential training. The report was completed in December 2019 and the Council is now

consulting dioceses and TEIs on its recommendations to implement a new system ahead of the 2020-21.

To raise awareness of mental health and ensure the Church of England responds well to challenges, a conference, *Faith and Mental Health: a Christian Response* was held at Lambeth Palace in 2019. Bishop of London, Sarah Mullaly spoke alongside Dr Jacqui Dyer MBE, President of the Mental Health Foundation, and the Archbishop of Canterbury. The event was also attended by Sarah Wollaston, Liberal Democrat MP who was a GP for 24 years, and HRH The Duke of Sussex.

Accessibility for our 16,000 church buildings was made a priority by the Council with work getting under way in 2019 on new guidance in this area. The guidance will help parishes reflect on how their buildings can help them be a church for all people, and to consider both large-scale adaptations such as Changing Places toilets and access ramps, and small-scale changes such as clear print service sheets and up to date access information on their websites. This work involves the Church Buildings Council (CBC) consulting on the issue with heritage bodies to enable parishes to make proposals to improve accessibility in the best possible way. Council aims to publish guidance by July Synod 2020.

The Council's Liturgical Commission produced new guidance for churches on ensuring that baptism services are accessible, as part of its forthcoming publication 'Patterns for Baptism'. The guidance gives recommendations on practical ways, such as provision for sign language interpreters, taking account of mobility, visual, or other challenges, to ensure people with disabilities can participate fully in Church of England baptism services. The new guidance, which will have a great impact on the Church's mission, was developed working in partnership with the Council's National Disability Adviser and other experts, including the Director of Anglican Formation and Tutor in Liturgy and Worship at The Queen's Foundation for Ecumenical Theological Education.

On Human Identity, Sexuality and Marriage

2019 goal: continue the work of the Pastoral Advisory Group and Living in Love and Faith:

The Church of England's Pastoral Advisory Group launched *Pastoral Principles for Living Well Together*, a set of six prompts inviting church communities to consider their life together as a diverse community. The resources focus on LGBTI+ issues but apply to wider issues of diversity. They were commended by the House of Bishops for use by clergy and laity responsible for

welcome and pastoral care.

Living in Love and Faith (the Church of England's teaching and learning resource on human identity, relationships, marriage and sexuality, currently under development, to help the Church to gain a deeper understanding of these matters and of different perspectives about them) continued its work in 2019. The resources are due to be launched in 2020.

On Social Deprivation

2019 goal: to continue to promote mission and evangelism on estates through the Estates Evangelism Strategy:

A fifth of the Church of England's 12,500 parishes are 'estates' parishes. By the end of 2019, £46 million (£36 million at end of 2018) of Strategic Development Funding (SDF) awarded to support mission in deprived areas, representing 33% of the overall funding (30% at the end of 2018) – stimulating fresh energy, vision and resources, reversing the trend of withdrawal and training future church leaders to revive the Christian faith.



“

In this liturgy what we're doing is formally recognising a minority community as part of our wider body.”

Bishop of Loughborough, Guli Francis-Dehqani.







The Council's Plans for 2020

The Council's plans for 2020 are discussed below. These were drawn up prior to the COVID-19 outbreak and social distancing measures announced in March 2020. The Council has provided urgent guidance and advice to the wider Church to help them to respond to this situation. It has worked with the Church Commissioners to agree measures to bolster diocesan medium-term liquidity. The Council will continue to work to achieve its strategic goals for 2020 but is mindful that the effects of COVID-19 and the demands that this places on the Council as they become more visible may mean that some activities will be re-prioritised.

1 | Evangelism

- To continue to 'motivate the million' through our six priorities by working with $\frac{3}{4}$ of the dioceses on these priorities in equipping people to articulate and live out their faith through specific interventions;
- To ensure we are determining the effectiveness of this work by developing a base line for measuring confidence in evangelism amongst the million through the Big Church Survey;
- To have awarded SDF to a further seven dioceses for projects targeted on the largest urban areas and one or both of younger generations and deprived communities; and, through existing projects, to have seen the number of new disciples arising from this programme to increase from the current 8,600 to 12,000 by the end of 2020; To have engaged over 8 million people through the Christmas and Lent/Easter campaigns.

2 | Discipleship

- To have 500 worshipping communities engaged in specific SGPF actions through DLC4 and Disciple Enablers Network and 50,000 participants (measured by reach) in Everyday Faith digital campaign; 300 key influencers to adopt recommendations for strategic change in dioceses and 75% of dioceses with viable implementation plans for SGPF.

3 | Ministry

- To achieve a further increase, compared to 2019, of at least 10% in recommendations to train for ordained ministry and to see a continuing increase in diversity amongst those recommended;
- To deliver a smooth transition from the current selection processes to the new forms of discernment and BAP processes, enabling an increase in the number, quality and diversity of candidates for ordained ministry;
- To promote and encourage lay ministry working closely with the Lay Ministry Advisory Group, piloting the 'Festival of Calling', providing dioceses with resources and encouragement to support their work in growing vocations to both lay and ordained ministries; contributing to the FAOC report on the theology of the ministry of the whole people of God;
- To support and enable the Resourcing Ministerial Formation review of the provision and funding of theological education and ministerial formation.



4 | Common Good

- To equip all dioceses with access good information and support to assist refugee resettlement;
- To establish the Clewer Initiative on Modern Day Slavery with new funding to set up proactive responses to modern day slavery in at least 35 dioceses;
- To maximise the church's impact on the housing crisis through the report of the Archbishop's Commission on Housing, Church and Community addressing the local church, the NCIs, government policy and theology, initiating change in how the Church of England deploys its own resources;
- To upscale the NCI's work on combatting climate change, including launching a new tool for measuring energy consumption, involving a majority of parishes, and establishing programmes to reduce the carbon footprint against the 2030 Net Zero target by the year end;
- To establish the freedom of religion and belief (FoRB) Leadership Network to promote freedom of religion in global trouble spots with initial progress in at least three areas by the year end;
- To set up the Social Impact Investment initiative and make initial investment decisions which will start delivering impact on environment, housing and financial inclusion within the first year of operation.

5 | Education

- To ensure that the new government understand and value the Church of England's contribution to education which is deeply Christian, serving the common good and to continue to maximise opportunities to develop new schools (in line with government policy) especially in relation to alternative provision and special educational needs;
- To agree the next phase of our development of SIAMS with all dioceses in order to assure quality and consistency of inspections;
- To engage the 11 Anglican foundation universities with our newly published vision for Higher Education and provoke a fresh discussion about purpose, ethos and values in higher education and to launch our vision for Further education;
- To work with the seven Growing Faith trailblazer dioceses and every diocesan Growing Faith champion to begin to disseminate the learning and case studies from parish clusters and encourage the prioritisation of the Church's ministry with children and young people;
- To secure the ongoing sustainability of the Church of England Foundation for Educational Leadership, enrolling 250 aspiring headteachers on to our national professional qualification for headship and developing leadership in over 700 schools through peer support networks.

The Council's Plans for 2020

6 | Resources for the Church

- To continue to provide web and social media training to churches and dioceses, with the aim of upskilling 3,000 churches by the end of 2020;
- To provide high quality communication and digital resources to use at key moments of the Christian year, with an overall level of engagement of 8 million;
- To evolve the Clergy Transitions Service pilot into a charged-for model (subject to resourcing decisions);
- To start implementation of the National Giving Strategy to support dioceses in increasing parish and diocesan income;
- To deliver the People Systems Project (go live 2021) and the 2019 Pathways Review recommendations;
- To carry out a technical refresh of the Online Faculty System now used by 36 dioceses, in order allow it to function better and to link it to the new Content Management System being developed;
- To publish updated guidance on a range of church buildings issues including accessibility, lighting and heating (including advice on minimising energy use and carbon footprint), and churchyard biodiversity.

7 | Safeguarding

- **Achieve a robust and effective leadership culture for safeguarding:** All senior clergy up to date with appropriate safeguarding training; leadership modules for prospective senior clergy to include safeguarding leadership; all dioceses and cathedrals have in place and making progress on safeguarding action plans following independent audits; whole Church vision for safeguarding agreed.
- **Achieve a survivors strategy and effective co-production:** Survivors reference group established with terms of reference; strategic framework for survivors' engagement in place; implement Safe Spaces project; options developed for redress.
- **Deliver a highly effective safeguarding service for and about senior clergy:** Deliver learning lessons reviews; create effective central casework function in NST; implement casework management pilot system.
- **Ensure consistent good safeguarding responses across the Church:** Create quality assurance framework and approach; develop regional approaches to good safeguarding practice; produce analysis of national self-assessment data for 2018-19.
- **Lead the Church's response to IICSA:** Report back to IICSA in January 2020; implement existing commitments; robustly respond to proposed IICSA published report in summer 2020.



8 | Governance for the Church

To enhance engagement with the General Synod through the roll out of an online election process;

To enable strong levels of participation in Living in Love and Faith on the part of the College and House of Bishops and the General Synod;

To take forward the legislative reform programme as part of Renewal and Reform.

To support the initial stage of strategic planning for the next quinquennium.

9 | A Church for all People

- To have launched the Living in Love and Faith resources and initiated a church-wide engagement to promote wider understanding of human identity, sexuality and marriage in relation to the church and society, and promulgating the Pastoral Principles;
- To develop and implement an action plan to enhance disabled people's experience of church;
- To work across the NCIs to deliver our whole Belonging & Inclusion strategy for all our people, developing our leadership, skills with a particular focus on the experience of BAME staff as measured in the staff surveys;
- To continue to roll out training for chaplains working with Gipsy, Roma and Traveller communities;
- To develop Estates Evangelism in partnership with the dioceses with the largest numbers of estate parishes and to launch the "Theology and the Public Voice" podcasts on the theology of estate ministry.
- To review the CMEAC work strategy, building on the Synod motion responding to the problems of the Windrush generation, and appoint a new CMEAC Adviser to take the strategy forward (by the end of 2020).

Financial Review

Overview: use of resources

In 2019 expenditure incurred by the Council totalled £101.2million (2018: £149.1 million). Net income was £2.1 million in 2019 (2018: net expenditure £0.8 million) after investment gains of £5.1 million (investment losses of £1.6 million).

The main reason for the significant decrease in expenditure was the decrease in grants payable, the decrease in Strategic Development Fund (SDF) grants awarded (accounted for under the Council's Evangelism objective) from £64.1 million in 2018 to £21.3 million in 2019. In aggregate across the 2017 – 2019 triennium £130.0 million of SDF grants were awarded.

In view of the then uncertainty about likely level of funding available in 2020-22, and the quantum of awards made up to the end of 2018, the Strategic Investment Board decided in December 2018 that there would be only one funding round in 2019. In doing so, the Strategic Investment Board noted the considerable momentum which has built up around SDF, and the increasing scale and ambition of dioceses' plans. SDF is now supporting a wide range of approaches to support dioceses' plans to develop their mission and financial strength.

The Archbishops' Council and Church Commissioners have confirmed that SDF is a ten-year programme (2017-2026). Assuming that the current level of funding continues to increase in line with earnings up until 2026, it is estimated that the total amount of SDF available over the ten-year period will be £270m. Following the awards made in June 2019, around £130m will be left to distribute to dioceses until 2026, although this will depend on the outcome of future spending reviews. £64m should be made available for award in 2020-22, with the remaining £64m available for 2023 onwards. That means that around £21m of funding may be awarded in a typical year, and the pattern of a single application round each year will continue.

The greatest proportion of the Council's expenditure in 2019 was in relation to its objectives for Ministry and Evangelism. These represented 61.3% (2018: 40.8%) and 23.7% (2018: 44.5%) respectively, of the total expenditure by the Council.

Grants

The Council makes grants to dioceses under three main schemes, the first two of which are funded by the Church Commissioners:

- Evangelism grants include £21.3 million Strategic Development Funding awarded to 17 dioceses. The Council has delegated decisions on grant awards to its Strategic Investment Board (SIB), the membership of which includes Council members and Church Commissioners; in 2019 the SIB also agreed Resources for the Church funding of (i) £1.0m for five non-diocesan projects and (ii) £0.4m for Renewal and Reform work which is accounted for under transfers.
- Ministry grants include £25.6 million in Lowest Income Communities (LInC) funding (2018: £24.8 million) which are supplemented by time-limited transitional grants to smooth the transition to the grant funding arrangements introduced in 2017. In 2019, 26 dioceses received (LInC) such grants, 11 of which received grants of over £1 million.
- Training for Ministry grants totalled £17.1 million in 2019 (2018: £14.6 million) and funded training, maintenance and university fees for those undertaking pre-ordination training.

Further details of the grants made to dioceses by the Council will be published in the SIB's annual report made available as a General Synod paper. Other grant expenditure funded by the apportionment paid by dioceses included:

- grants towards the work of the Anglican Communion Office, national and international

ecumenical agencies (including Churches Together in England, the Conference of European Churches and the World Council of Churches), the Church Urban Fund and Fresh Expressions;

- grants for pension contributions for clergy employed by qualifying mission agencies;
- grants towards the subsidy required for the Clergy Retirement Housing scheme administered by the Church of England Pensions Board.

Use of legacies

The Council is fortunate to receive unrestricted legacies from time to time. Its policy is to add such legacies to its unrestricted legacies designated fund to be spent on priorities decided by the Council from time to time. In 2019 unrestricted legacies income was £15,000 (2018: £184,000).

Recent unrestricted legacies are being used to help fund Life Events projects.

Fundraising

Section 1 62a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. The Council does not undertake fundraising from the general public but from time to time does apply for grant funding from grant-awarding charities. Any such amounts receivable are presented in the financial statements as ‘voluntary income’ and includes legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees. The Council is not bound by any undertaking to be bound by any regulatory scheme.

The Council has received no complaints in relation to fundraising activities. Its terms of employment require staff to behave reasonably at all times as the Council does not approach individuals for funds. Contracts of employment do not particularise this requirement for fundraising activities nor does the Council consider it necessary to design specific procedures to monitor such activities.

Comment by the Trustees about going concern

The Council has not identified any material uncertainties that cast significant doubt on its ability to continue as a going concern. In reaching this conclusion it has particularly considered the identifiable effects of the COVID-19 pandemic at the date of approval of the accounts. The Council has evaluated the nature of its key sources of income, particularly including distributions made by the Church Commissioners, apportionment contributions made by dioceses and grants from other bodies. It has considered the charity’s ability to withstand a material fall in income and the mitigating actions which could be taken in such a scenario including the types of expenditure which could be reduced or delayed. It has also analysed the strength of the available reserves and liquid assets, including modelling the effect of a significant reduction in investment values. The Council considers that it has sufficient reserves to withstand such an eventuality, taking account of restricted funds (most significantly the Church and Community Fund) with sufficiently broad purposes to be used to help fund the majority of the Council’s operating expenditure. In light of this analysis, the trustees have a reasonable expectation that the Council has adequate resources and cashflow to meet spending commitments as they fall due.

Accounting policies

The trustees have reasonable expectation that the Council has adequate resources and cash flows to meet spending commitments for the foreseeable future.

Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts. The Council has evaluated the nature of its key sources of income, particularly including distributions made by the Church Commissioners, apportionment contributions made by dioceses and grants from other bodies. It has considered the charity's ability to withstand a material fall in income and the mitigating actions which could be taken in such a scenario including the types of expenditure which could be reduced or delayed. It has also analysed the strength of the available reserves and liquid assets, including modelling the effect of a significant reduction in investment values. The Council considers that it has sufficient reserves to withstand such an eventuality, taking account of restricted funds with broad enough purposes to fund the majority of the Council's operating expenditure.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment markets (see the "Investment Policy and use of Restricted Funds" and "Risk Management" sections of the trustees' annual report for more information).

Reserves policy

The Council holds reserve funds for each of the five areas of expenditure voted on separately by the General Synod. These reserves enable the Council to meet its obligations and commitments that span more than one accounting period, to assist in cash-flow management and to help reduce the risk of needing to ask dioceses for a substantial increase in apportionment funding in any one year. In 2019 the Council agreed to continue to hold between one- and three-months' expenditure as reserves for each of these five areas of expenditure, one of which is its unrestricted funds (excluding designated funds), and to set a target reserve level of two months' budgeted expenditure in each of these five areas which totalled £7.2 million across these five expenditure areas.

At the end of 2019 unrestricted general fund reserves (i.e. excluding designated funds and the pension reserve) were £2.2 million (2018: £2.6 million). The Council is content with the current level of reserves and will bear actual and forecast levels in mind when setting its budgets for 2021 and beyond.

As a result of implementing the accounting standards

introduced in 2015 the Council, in common with all organisations making deficit recovery contributions to a defined benefit pension scheme, is required to account in full for the net present value of those contributions, even though they will be paid over many years. This resulted in pension reserve liability at the end of 2019 of £2.4 million (2018: £2.8 million) which will be met from future years' income as the agreed deficit contributions are paid. As a result, total unrestricted funds were £5.7 million at the end of 2019 (2018: £5.8 million). Recognising that it is intended that the pension reserve will be reduced towards zero by planned deficit recovery contributions to be met from the general fund over the next five years, the Council plans to continue to state its reserves policy for unrestricted funds in terms of its general fund balance.

Investment policy and use of restricted funds

The Council's investment policy for its restricted funds – based on the planned distribution strategies for each – is summarised as follows:

- For settlements planned to be retained beyond five years, the Council's investment managers have been set an annualised long-term target to achieve a total return of at least 4% above CPI after all costs. The investments for such funds are held in two Common Investment Funds diversified between and within asset classes.
- For funds that are planned to be spent out within five years, the focus is on capital preservation with a target return of at least bank deposit rates. The ability to withdraw funds at relatively short notice is also imperative.

The Council's Investment Committee reviews and oversees the management of the Council's investments and reports twice a year to the Council and its Finance Committee. In 2019 the Committee reviewed the investment management arrangements including holding formal meetings with existing and potential managers. The charges agreed were implemented during the year. The aggregate total return from its long-term investments (with a time horizon of at least five years) was 16.3% in 2019 (2018: -4.4%) compared with the long-term target of 5.3% (2018: 7.1%). Over the past five years the return averaged 6.1% p.a. compared with the long-term target of 5.4% per annum (until the end of 2018 the long-term target return was RPI +3%p.a. and from the start of 2019 the long-term target return has been CPI +4% p.a.)

The Council's cash resources are held in its current account, in the Central Board of Finance Church of England Deposit Fund or term deposits in line with its Treasury Management Policy, which is reviewed annually. The Council's average return on its cash holdings in 2019 was 0.6% (2018: 0.7%).

The Council also acts as custodian trustee for several funds. At the end of 2019 the assets of these funds, which are held in investments and cash separately from those of the Council, were valued at £3.5 million (end 2018: £3.4 million).

Ethical investment

The Council participates in the work of the Church's Ethical Investment Advisory Group (EIAG), which develops ethical investment advice to inform the ethical investment policies of the three main national Church investing bodies. Its membership includes members of the Council and its Mission and Public Affairs Council. The EIAG publishes an annual report of its work which is available, together with other related publications including its sector-based policies, on the Church of England website. The Council also belongs to the ecumenical Church Investors Group.

The Common Investment Funds in which the Council invests have ethical investment policies. The Council complies with the EIAG's guidance on pooled funds and the Council and its Investment Committee regularly monitor compliance with this policy.

Public benefit

The Archbishops' Council has an enabling role in support of the ministry of the Church of England which, through its 13,000 parishes and the dioceses and through other means, seeks to provide spiritual care for all people in England. In particular:

- The Church of England is a focus for community activity in 13,000 parishes and 16,000 church buildings and, through the resources at its disposal, provides activities that support community development and social cohesion. Typically, this includes projects that support children, families and the elderly people through clubs, social gatherings and outreach activities.
- The Church of England provides education in the Christian faith and encourages personal and

spiritual growth and well-being.

- Through its engagement in local communities, its chaplains in many sectors of life and its participation in public debate, the Church of England promotes values that it believes are beneficial to society as a whole.
- Through its network of schools and academies, the Church of England provides an education for around 20% of children of primary school age and 6% of young people of secondary school age that is rooted in Christian values and available to families of all faiths and none.

The Council has had regard to the requirements of the Charities Act 2011 and published advice issued by the Charity Commission in relation to public benefit.

Governance

Introduction

The work of the Council and its supporting bodies is underpinned by openness to God, worship, service and a desire to promote growth, partnership, unity, integrity and transparency. The Council carries out its work in compliance with relevant legislation and best practice. Following an effectiveness review in 2018, using the Charity Governance Code as the basis for its analysis, the Council continued work in this area in 2019. This included work on leadership, behaviours and culture. New appointments made during the year reflected the Council's aim to increase its diversity. In carrying out its work, the Council aims to maintain and support a skilled and motivated staff and to ensure effective systems of organisation and governance.

The Archbishops' Council is a charity registered under no. 1074857.

Trustee recruitment, appointment and induction

Members of the Archbishops' Council have responsibilities as trustees. They hold office in a variety of ways: ex officio (the two Archbishops; the First Church Estates Commissioner; the Chair and Vice-Chair of the House of Laity; and the two Prolocutors); elected (two members each of the Houses of Bishops, Clergy and Laity of the General Synod); or appointed (by the Archbishops with the approval of the General Synod after an extensive public recruitment process).

Tailored induction, covering such areas as key relationships, financial information and forward strategy, is offered to all new trustees. New and existing trustees also have the opportunity to meet Directors and other staff for briefing on particular areas of work. Members also have the opportunity to learn about the Council and contribute to its development as members of committees and working parties for specific areas of its work and operation.

In 2019 the Council met five times, including one 24-hour residential meeting. In addition, a joint meeting between the Council and the Church Commissioners was held. Membership of the Archbishops' Council from 1 January 2019 and up to the date of this report is detailed overleaf.

Committees of the Archbishops' Council

The Council reviews the constitutions of its committees once every five years. The most recent revision resulted in the revised constitutions agreed by the Council taking effect from 1 June 2016.

The following bodies undertake work as committees of the Archbishops' Council:

- *Audit Committee of the Archbishops' Council (chair: Mary Chapman to December 2019, Maureen Cole from January 2020)
- *Finance Committee (chair: Canon John Spence)
- *Ministry Council (chair: the Rt Revd Martin Seeley)
- *Mission and Public Affairs Council (chair: Mark Sheard)
- Committee for Ministry of and among Deaf and Disabled People (chair: the Rt Richard Atkinson)
- Committee for Minority Ethnic Anglican Concerns (chair: The Very Revd Rogers Govender from February 2019)
- Council for Christian Unity (chair: the Rt Revd Martin Warner)
- Remuneration and Conditions of Service Committee (chair: the Rt Revd Christopher Foster to March 2020, Rt Revd Richard Jackson from April 2020)
- Strategic Investment Board (chair: Canon John Spence)
- Strategic Ministry Board (chair: The Rt Revd Martyn Seeley from the Board's creation in October 2019)
- Legislative Reform Committee (chair: Revd Canon Simon Butler)

*The chair of the bodies marked with an asterisk must be a member of the Archbishops' Council.

Key Working Relationships

The Archbishops' Council works in close partnership with the other National Church Institutions (NCIs): the Church

Commissioners, the Church of England Pensions Board, Church of England Central Services, the Offices of the Archbishops of Canterbury and York, the National Society and Lambeth Palace Library. Key working relationships with Church bodies include:

General Synod

The Council is not a body of the General Synod, but a statutory body established under the National Church Institutions Measure 1998. All of its members are either drawn from the General Synod or become members of the General Synod through their appointment to the Archbishops' Council.

This helps to ensure that there is a close relationship between the Council and the Synod, not least because the Council and its committees undertake work on behalf of the Synod and report to the Synod on that and other work as it progresses and on completion.

Members of the General Synod may ask questions of the Council and its committees when the General Synod meets and the General Synod approves the Council's annual budget and receives the Council's annual report.

House of Bishops

The Council and the House of Bishops work together to provide leadership and to develop and resource policy, particularly on issues around lay and ordained ministry, education, safeguarding, social engagement, engagement with Government and framing Church legislation.

Church Commissioners

Under the terms of the National Institutions Measure 1998, the Council and the Commissioners work closely to develop spending plans reflecting the Council's priorities for the coming period. The Council receives reports annually on the uses to which that funding has been put to enable it to confirm to the Church Commissioners that the money has been used for the purposes for which it was given.

Dioceses

Some of the Council's work is funded by the dioceses of the Church of England. This gives the Council a responsibility to demonstrate that the money it receives is spent effectively and to work on behalf of the dioceses to provide a central source of advice, a resource for the development of policy and legislation, and a focus of engagement with the Government and other agencies on behalf of the Church. The Council also distributes grants from the Church Commissioners to dioceses under the terms of the National Institutions Measure 1998 to support their mission and ministry.

Church of England Central Services (ChECS)

ChECS facilitates the provision of cost-effective shared financial, legal and other services to the NCIs and provides payroll and other services to dioceses and other charities with a Church ethos. It is jointly owned by the Council, Church Commissioners and Church of England Pensions Board and each body appoints two of the six directors. The Council's appointees are Canon John Spence and Ven. Sam (Samantha) Rushton. The Archbishops' Council and the General Synod have a number of other committees, commissions and similar bodies that report to them. Details are available on request.

Appointments made by the Council to other charities

The Council has the right to make appointments to certain other Church charities. It appoints two of the 12 trustees of the Church Urban Fund and the Council's Finance Committee also appoints one trustee. The Council appoints six of the 13 trustees of Near Neighbours. The Council's Finance Committee operates two of the 11 trustees of the Whitelands College Foundation.

Governance | trustees, senior staff and advisors

Membership of the Archbishops' Council from 1 January 2019 and up to the date of this report was as follows:

Joint Presidents

The Most Revd and Rt Hon Justin Welby, Archbishop of Canterbury	(5/5)
The Most Revd and Rt Hon Dr John Sentamu, Archbishop of York	(2/5)

Prolocutors of the Lower Houses of the Convocations of Canterbury and York (ex officio)

The Ven Cherry Vann (York) (to October 2019)	(3/4)
The Revd Canon Simon Butler (Canterbury)	(4/5)
The Revd Canon Chris Newlands (York) (from November 2019)	(1/1)

Officers of the House of Laity (ex officio)

Canon Dr James Harrison (Chair, House of Laity)	(5/5)
Canon Elizabeth Paver (Vice-Chair, House of Laity)	(5/5)

Elected by the House of Bishops

The Rt Revd Stephen Conway (to September 2019)	(2/5)
The Rt Revd Martin Seeley	(2/5)

Elected by the House of Clergy

The Revd Dr Ian Paul	(5/5)
The Revd Prebendary Sarah Schofield	(4/5)

Elected by the House of Laity

James Cary (from November 2019)	(1/1)
Adrian Greenwood	(5/5)
Canon Mark Russell	(3/3)

Appointed by the Archbishops with the approval of the General Synod

Mary Chapman (to December 2019)	(5/5)
Maureen Cole (from January 2020)	(0/0)
Revd Charlotte Cook (from February 2019)	(4/4)
Mr Joseph Diwakar (from February 2019)	(3/4)
Matthew Frost	(3/5)
Rebecca Salter (to February 2019)	(1/1)
Canon John Spence	(5/5)
Mark Sheard	(5/5)

A Church Estates Commissioner

Loretta Minghella, First Church Estates Commissioner	(4/5)
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(The figures in brackets indicate (i) the number of meetings each member attended in 2019 (ii) the number of meetings each member was eligible to attend.)

Senior Management Group of the Archbishops' Council

William Nye, Secretary General to the Council and the General Synod
Revd Canon Dr Malcolm Brown, Director of Mission and Public Affairs
Melissa Caslake, Director of Safeguarding (from September 2019)
Becky Clark, Director of Cathedral and Church Buildings
Debbie Clinton, Director of Renewal and Reform
Revd Canon Mandy Ford, Interim Director of Ministry (to September 2019)
Rt Revd Chris Goldsmith, Director of Ministry (from October 2019)
Christine Hewitt-Dyer, Director of People
Revd Nigel Genders, Chief Education Officer
Tashi Lassalle, Director of Communications
Revd Alexander McGregor, Head of the Legal Office and Chief Legal Advisor (from April 2019)
Revd Canon David Male, Director of Evangelism and Discipleship
Dr Jacqui Philips, Clerk to the Synod and Director, Central Secretariat
Sir Roger Singleton, Interim Director of Safeguarding (to September 2019)
Stephen Slack, Head of the Legal Office and Chief Legal Advisor to the Archbishops' Council (to April 2019)
David White, Head of Financial Policy and Planning
Revd Canon Jeremy Worthen, Acting Director, Central Secretariat (from May 2019)

Senior staff of Shared Services managed by other NCIs

Stephanie Harrison, Director of Risk Assurance (from March 2020)
Philip James, Director of the Strategy and Development Unit
Aneil Jhumat, Director of Risk Management and Internal Audit (to October 2019)
Declan Kelly, Director of Libraries, Archives and Information Services
Gareth Mostyn, Chief Finance and Operations Officer (to end January 2020)

Offices and advisors

The Archbishops' Council advisors are listed below. All professional advisor appointments are regularly reviewed.

Registered office:	Church House, Great Smith Street, London SW1P 3AZ. Tel: 020 7898 1000
Investment managers:	CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London EC2V 4ET Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU
Bankers:	Lloyds Bank plc, 25 Gresham Street, London EC2V 7HN
Solicitors:	The Legal Office of the National Church Institutions of the Church of England, Church House, Great Smith Street, London SW1P 3AZ
Auditors:	BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

People and Organisation

The Archbishops' Council has a responsibility to work with the other National Church Institutions (NCIs) to serve the wider Church and ensure effective use of the Church's money.

The Council, in partnership with the other NCIs, work to a common purpose statement which places an emphasis on collaboration – both within the NCIs and with colleagues in dioceses and cathedrals: 'We in the National Church Institutions support the mission and ministries of the Church of England. We work together with those who serve in parishes, dioceses, cathedrals, schools and other ministries, and with our partners at a national and international level.'

Engaging with a common purpose

The results from the latest survey of staff across the NCIs in July 2019 showed that the strong sense of a shared purpose and common values continues to deepen. Out of 474 responses, 94% stated that they understand how their role supports the Church of England. The number of people who saw colleagues living our people values – excellence, integrity and respect – on a regular basis rose by 23 percentage points. Overall, positive responses to statements have increased by 13 percentage points since the last survey in 2017 to an average of 67%.

The uplift in positive responses in the survey are mirrored in the rising levels of engagement with a broader programme of activity that is helping to create a more inclusive and

celebratory culture within the NCIs. This in turn is supported by further improvements to existing internal communication channels – including all staff events (84% rating NCIs Live with Archbishop Justin Welby 'very good' or 'excellent') – and the adoption of new ones, with video now a regular feature in internal campaigns for example.

Creating a sense of belonging

In October 2019 we launched our Belonging and Inclusion strategy and action plan after extensive consultation with people across the NCIs and analysis of workforce data and sentiment.

Our goal is that everyone in the NCIs feels that they belong, are valued for who they are and what they contribute. To achieve this, we are focusing our efforts in four areas: leading and signalling, generous behaviours, mentoring and learning, and celebrating and storytelling.

By the end of 2019 more than 30 people had signed up to the NCIs' first mentoring programme, with a second cohort planned for the summer of 2020. This developmental programme is open to everyone and is being promoted to groups that are under-represented at more senior levels. This is the first step towards

addressing progression and retention, by signalling an explicit investment in development and supports building strong cross NCI relationships at all levels.

Our people

At the end of the 2019, a total of 130 staff are employed by the Archbishops' Council, a 11% increase from 2018 (117 staff). The Council make up 23% of the overall staff at the NCIs. We saw continued growth across the NCIs with a 7.5% increase to an overall figure of 559 staff (520 in 2018).

Senior managers (bands 0–2) accounted for 26% of the total workforce of the NCIs (145 staff), up from 25% (131 staff) in 2018. 38% of these senior positions were held by women, a slight increase from 2018 (37%). The percentage of people who classed themselves as having a disability was 4% within the Council compared with NCI average of 3.8%. Since 2013 the average age of staff has dropped from 46 to 44 years old across the NCIs and for Church Commissioners' staff the current average age is 47.

The percentage of people who classed themselves as black or minority ethnic (BAME) within the Council was 9.5% (2018: 8.7%) compared with overall BAME representation of 15.8% (2018:

15.2%) across the NCIs.

Gender pay

Based on a snapshot date of 5 April 2019, our third annual gender pay report covered one common pay policy for 540 staff across the seven legal entities, and a separate performance-related policy for 35 staff in the Investments department of the Church Commissioners.

The 2019 data shows that our mean pay gap remained static at 21% in favour of male colleagues and that our median pay gap widened by 5% to 29%. The treatment of some contractors in the report, the recruitment of more women than men to mid and lower band roles, and high percentage of females on pay scales outside of London contributed to the widening of the median pay gap. These are explored further in our report which is available on our website.

Although female representation in the upper quartile increased by 2% from 2018 across the whole of the NCIs, we continue to see a large proportion of females in the lower and mid-lower quartiles compared to the UK average.

We are taking a long-term view on what we need to put in place to reduce our gender pay gap as part of our wider work on belonging and inclusion. We have devoted

senior trustee time to a review of our remuneration policy to help address imbalances and barriers to opportunities for advancement for females within the NCIs.

Staff remuneration and executive pay

All the staff of the Archbishops' Council are covered by a unified pay policy that operates across all the NCIs. The policy is designed to ensure the same level of pay for all staff in posts with work of equal value based on eight bands. For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market related salaries and is subject to annual review.

Staff pay is reviewed annually and any increases as a result of the annual pay negotiations are awarded with effect from 1 January. The NCIs are an accredited Living Wage employer and ensure all staff including apprentices, interns and those on training schemes receive the appropriate living wage for their location.

A number of senior roles, including those of the Chief Executives, sit outside the banding system, as the skill sets required to fulfil the roles

are not readily measured within the NCIs' standard job evaluation system. Salaries for these roles are set individually with reference to the wider marketplace. This process is overseen by the Remuneration Committee, comprising senior trustees from each of the main NCIs. In general, these staff can expect the same percentage annual uplift for cost of living as those on the NCI bands.

The amount paid to the highest member of staff in the Council is 9.1 (2018: 9.1) times the salary earned by the lowest paid member of staff and 3.6 (2018: 3.6) times the median salary.

Risk Management

The Council reviews the principal and operational risk registers and risk management arrangements of the Archbishops' Council at least annually.

The Archbishops' Council's risk management policy defines its approach to risk management and outlines the roles and responsibilities of members, management and staff. The Council is supported by the Audit Committee, which regularly reviews the content of the risk registers and seeks assurance over the adequacy of arrangements in place to manage the risks.

Departments and risk owners are responsible for the identification, assessment and review of risks to the achievement of their objectives. Risks are prioritised using an agreed scoring methodology and are assessed at an inherent and residual level. The risk management process is facilitated and monitored by the Audit and Risk function. The management of key risks are subject to independent review and assurance through the internal audit process, which reports to the Audit Committee.

The principal areas of risk for the Archbishops' Council, as agreed by the trustees, are:

Principal risk	Summary of actions and plans to mitigate the risks
Maintaining numbers of those in lay and ordained ministry.	Agreed plans for financial support for dioceses for cost of training of new clergy, and their first curacies. Development of proposals and plans on discipleship and lay leadership.
Achieving and sustaining growth.	Supporting initiatives with Strategic Development Funding and monitoring and reviewing the impact of projects. Advice and consulting services for dioceses to enable effective use of new funding. Working with dioceses to encourage progression with Renewal and Reform. Prioritised the Growing Faith programme and development of work through the Youth Evangelism Task Group to achieve growth among Children and Young People.
Safeguarding.	Framework of policies, training, quality assurance and culture change to improve national, dioceses and local safeguarding capability. Reviewing dioceses and other Church institutions' practices and rolling out of good practice and training.
Funding, capacity and capability.	Renewal and Reform Programme Board in place to oversee work, progression and capacity/capability management to help deliver new initiatives. Budget setting and monitoring, to control expenditure and target resources.

Principal risk	Summary of actions and plans to mitigate the risks
Reputational impact around contentious and divisive issues.	Production of learning and teaching resources on marriage and relationships, and a parallel pastoral advisory group. Ensuring a good cross-section of church opinion on ad-hoc reference groups
Keeping Church Buildings open for communities.	Working with Church Commissioners to help dioceses adopt a more strategic approach to Church Buildings.
Poor investment performance, whether as a result of macro-economic events (e.g. Brexit and COVID-19) or poor performance by asset managers.	Investment performance is reviewed at least quarterly by the Investment and Finance Committees. Third party asset managers actively manage the Council's portfolios to ensure it is appropriately positioned in the macro-economic climate.
Inability to deliver key services in the event of a major business continuity threat (e.g. COVID-19)	Disaster Recovery and Business Continuity plans in place and tested on a regular basis. IT infrastructure and Cyber Security focus to ensure resilience of systems Collaborative technology in place to facilitate remote working.

As a body whose object is to “coordinate, promote, aid and further the work and mission of the Church of England” the Council also devotes time at least twice a year to consider and assess wider challenges and risks facing the Church of England generally.

Trustee responsibilities in relation to the financial statements

As trustees, Council members are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Council to prepare financial statements each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities Statement of Recommended Practice;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

They are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the National Institutions Measure 1998. They are also responsible for safeguarding the assets of the Archbishops' Council and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report

to the Trustees of the Archbishops' Council

Opinion

We have audited the financial statements of The Archbishops' Council ("the charity") for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: The Presidents' foreword, From the Secretary General and the Trustees Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to

fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom
Date: April 2019

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 ** £'000
Income from:						
Grants, donations and legacies	2	13,972	80,989	82	95,043	147,003
Charitable activities	3	2,947	70	-	3,017	2,730
Investment income	4	19	40	106	165	152
Total income		16,938	81,099	188	98,225	149,885
Expenditure on:						
Charitable activities	5	(19,152)	(81,878)	(156)	(101,186)	(149,050)
Total expenditure		(19,152)	(81,878)	(156)	(101,186)	(149,050)
Total income less expenditure before gains/(losses) on investments		(2,214)	(779)	32	(2,961)	835
Gains/(losses) on investments	10	199	-	4,871	5,070	(1,619)
Net income/ (expenditure)		(2,015)	(779)	4,903	2,109	(784)
Transfers between funds	13	1,936	743	(2,679)	-	-
Net movement in funds		(79)	(36)	2,224	2,109	(784)
Total funds at 1 January	13	5,797	8,359	32,118	46,274	47,058
Total funds at 31 December	13	5,718	8,323	34,342	48,383	46,274

The income, expenditure and other recognised gains and losses all relate to continuing operations, none of which were acquired during the year.

** See following page for full breakdown of the prior year's Statement of Financial Activities.

STATEMENT OF FINANCIAL ACTIVITIES**For the year ended 31 December 2018**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000
Income from:					
Grants, donations and legacies	2	12,996	133,997	10	147,003
Charitable activities	3	2,730	-	-	2,730
Investment income	4	27	41	84	152
Total income		15,753	134,038	94	149,885
Expenditure on:					
Charitable activities	5	(15,243)	(133,397)	(410)	(149,050)
Total expenditure		(15,243)	(133,397)	(410)	(149,050)
Total income less expenditure before losses on investments		510	641	(316)	835
Losses on investments	10	(58)	-	(1,561)	(1,619)
Net income/(expenditure)		452	641	(1,877)	(784)
Transfers between funds	13	1,613	(615)	(998)	-
Net movement in funds		2,065	26	(2,875)	(784)
Total funds at 1 January	13	3,732	8,333	34,993	47,058
Total funds at 31 December	13	5,797	8,359	32,118	46,274

The income, expenditure and other recognised gains and losses all relate to continuing operations, none of which were acquired during the year.

BALANCE SHEET**As at 31 December 2019**

	Notes	2019 £'000	2018 £'000
Fixed assets			
Investments	10	39,863	35,749
Total fixed assets		39,863	35,749
Current assets			
Debtors: amounts due within one year	11	28,540	39,698
Debtors: amounts due after one year	11	84,075	68,299
Cash equivalents		3,192	3,191
Cash at bank and in hand		6,006	8,659
Total current assets		121,813	119,847
Current liabilities			
Creditors: amounts falling due within one year	12	(27,028)	(39,150)
Net current assets		94,785	80,697
Total assets less current liabilities		134,648	116,446
Non-current liabilities			
Creditors: amounts falling due after one year	12	(83,861)	(67,401)
Net assets excluding pension deficit recovery liability		50,787	49,045
Defined benefit pension scheme liability	14	(2,404)	(2,771)
Total net assets		48,383	46,274
Funds of the charity			
Unrestricted funds:			
General fund	13	2,195	2,617
Designated funds	13	5,927	5,951
Pension deficit reserve	13	(2,404)	(2,771)
Total unrestricted funds		5,718	5,797
Restricted funds	13	8,323	8,359
Endowment funds	13	34,342	32,118
Total funds of the charity		48,383	46,274

The financial statements were approved by The Archbishops' Council on 24 March 2020 and signed on its behalf by:

The Most Reverend and Rt Hon Justin Welby, Archbishop of Canterbury

Chair of the Finance Committee, Canon John Spence

CASH FLOW STATEMENT

For the year ended 31 December 2019

	2019	2018
	£'000	£'000
<i>Cash flow from operating activities:</i>		
Net income/(expenditure) for the year (as per the statement of financial activities)	2,109	(784)
(Gains)/losses on investments	(5,070)	1,619
Investment income	(165)	(152)
(Increase) in debtors	(4,618)	(53,302)
Increase in creditors	4,338	53,348
(Decrease) in pension liability	(367)	(2,800)
Net cash flow (used in) operating activities	(3,773)	(2,071)
Cash flows from investing activities		
Investment income	165	152
Purchase of fixed asset investments	(11,386)	(5,065)
Sale of fixed asset investments	12,342	6,113
Disposal of short-term deposits	-	2,500
Net cash flow provided by investing activities	1,121	3,700
Change in cash and cash equivalents in the year	(2,652)	1,629
Cash and cash equivalents at the start of the year	11,850	10,221
Cash and cash equivalents at the end of the year	9,198	11,850
<i>Analysis of cash and cash equivalents and net debt</i>		
Cash equivalents	3,192	3,191
Cash at bank and in hand	6,006	8,659
Total cash and cash equivalent and net debt	9,198	11,850

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. Accounting policies

(a) Legal status

The Archbishops' Council is a statutory body established by the National Institutions Measure 1998 and was registered as a charity on 25 March 1999.

(b) Basis of preparation

The charity's financial information has been prepared in accordance with:

- Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102");
- Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("the SORP"); and
- the Charities Act 2011.

The Council meets the definition of a Public Benefit Entity ("PBE") as set out in FRS 102, and therefore applies the PBE prefixed paragraphs in FRS 102. The financial information has been prepared on the historical cost basis (except for the revaluation of investments) and on the accruals basis.

(c) Significant judgements and estimates

The Council's key judgements and estimates, which have a significant effect on the amounts recognised in the financial statements, are described in the accounting policies and are summarised below:

- Pension deficit liabilities - estimations surrounding the recognition of the Charity's defined benefit pension deficit liabilities. Further details are disclosed in notes 1(j) and 14.
- Carrying value of programme related social investments – the Trustees continue to have consideration for whether it is possible to obtain an updated valuation of the programme related social investment properties. For the year ended 31 December 2019, the trustees do not consider it possible to obtain an updated valuation, and so have continued to hold the properties in line with the last valuation conducted as at 31 December 2013. The properties are reviewed on an annual basis for indicators of impairment.
- Value of debtors and creditors due after more than one year – A judgement is applied in determining the appropriate discount rate to apply. Further details are disclosed in note 1(g). If the discount rate were to decrease by 0.25%, the value of debtors and creditors would increase by £667,000.

(d) Going concern

The trustees have reasonable expectation that the Council has adequate resources and cash flows to meet spending commitments for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts. The Council has evaluated the nature of its key sources of income, particularly including distributions made by the Church Commissioners, apportionment contributions made by dioceses and grants from other bodies. It has considered the charity's ability to withstand a material fall in income and the mitigating actions which could be taken in such a scenario including the types of expenditure which could be reduced or delayed. It has also analysed the strength of the available reserves and liquid assets, including modelling the effect of a significant reduction in investment values. The Council considers that it has sufficient reserves to withstand such an eventuality, taking account of restricted funds with broad enough purposes to fund the majority of the Council's operating expenditure.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment markets (see the "Investment Policy and use of Restricted Funds" and "Risk Management" sections of the trustees' annual report for more information).

(e) Funds structure

Unrestricted funds

General Funds are funds of the Council which can be used for its general charitable objects to coordinate, promote, aid and further the work and mission of the Church of England.

Designated Funds are funds which the Council has earmarked for a particular purpose. There are no legally binding restrictions on them and the Council is free to re-designate these funds should this be appropriate. The purpose of each designated fund is disclosed in the statement of funds (note 13).

Restricted funds

Restricted Funds are subject to specific conditions imposed by the donor, these conditions being legally binding upon the Council.

Endowment funds

Expendable endowment restricted funds are sums of money which may be spent in their entirety on the specified purposes, but do not have to be spent on those purposes within a reasonable period. One such expendable endowment fund is the Church and Community Fund (note 13), for which there is absolute discretionary power to expend in accordance with its trust deed.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2019****1. Accounting policies (continued)****(e) Funds structure (continued)**

Permanent endowment restricted funds are created when a sum of money is received from a donor who specifies that it must not be spent as if it were income. Usually the donor will instruct that the sum of money must be invested, and the income generated must be spent on certain specified purposes.

Further details of each fund are shown in note 13.

(f) Income recognition

All income is recognised when the Council is legally entitled to the income and the amount can be quantified with reasonable accuracy. Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received. Residuary legacies are recognised as receivable once probate has been granted where sufficient information has been received, on an estimated basis as follows: cash elements are recognised at monetary value, with property and other assets, including investments, valued at probate or net realisable value. Values are reviewed and adjusted up to the point of accounts approval.

Gifts in kind are valued at an amount equivalent to the value of the gift to the charity at the time of the receipt and recognised in the Statement of Financial Activities (the SOFA).

(g) Grant recognition

An agreement is in place whereby the Church Commissioners provide funding to match the grant payments made to dioceses. As a result, income is accrued at the year-end (note 11) to match the Council's grant commitment to the dioceses (note 12).

Grants awarded are recognised when a firm commitment to provide funding is made and there is evidence of a constructive obligation to the beneficiary. Details of the Council's grant making activities are outlined in note 6. Any ministry training maintenance grants for the Lent term of the following year, paid in the current year, are accounted for as prepayments.

The long-term debtor and creditor balances are discounted to present value, where material. The discount rate applied uses Bank of England spot curve data to calculate the expected future yield on the assets earmarked for making these grant payments.

(h) Expenditure recognition

Expenditure and liabilities are recognised when a legal or constructive obligation exists to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

The Council's expenditure on charitable activities is described in note 5. Grants awarded (note 6) are allocated directly to activities. Direct (note 7) and support costs (note 8) are apportioned according to an activity-based time split.

Investment managers' fees are not disclosed within expenditure. The Council's investments are principally held in collective investment schemes. Fees levied on the schemes are allocated by the schemes to income and capital prior to distribution to fund holders, therefore investment income and realised gains are shown net of applicable fees.

(i) Fixed assets***Investments: Investment funds***

Investment funds are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Net gains and losses arising on revaluation and disposals throughout the year are recognised in the SOFA. The Council does not acquire put options, derivatives or other complex financial instruments.

All investments held with CCLA, Ruffer and Sarasin are invested on an accumulation basis (except for investments held within permanent endowment funds).

Investments: Social investments

The charity has taken advantage of exemptions under FRS 102 which allow it to opt out of revaluation of certain properties held as social investments on the basis of a lack of comparative properties from which to conduct an accurate comparison and valuation.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2019****1. Accounting policies (continued)****(j) Pensions**

Staff pensions are described in note 14. Defined benefit schemes are considered to be multi-employer schemes as described in FRS 102 paragraph 28.11 as assets cannot be accurately allocated between the member organisations. Consequently the schemes are accounted for as if they were defined contribution schemes, where employer contributions payable in the year are charged to expenditure. The National Church Institutions' (NCIs) pension scheme liability is calculated by actuaries Lane, Clark and Peacock (LCP) LLP. The Church of England Pensions Board took advice from LCP and have determined the method and assumptions to use for this valuation in consultation with the employers. The valuation adopts the "projected unit method", under which the technical provisions are calculated as the amount of assets required as at the valuation date to meet the projected benefit cash flows, based on benefits accrued to the valuation date and the various assumptions made.

The pension fund faces a number of risks. In particular, the actual returns on the fund's assets may prove to be higher or lower than those anticipated in the calculation of the technical provisions. The greater the returns anticipated, the greater is the chance that actual returns will be lower, leading to the need for additional employer contributions in the future. Similarly, there is the risk that the other assumptions adopted are not borne out by future experience. A liability is recorded within provisions for any contractual commitment to fund past service deficits.

(k) Leases

Rent paid in relation to operating leases is charged to the SOFA in equal amounts over the period of the lease. All leases are operating leases as the risks and rewards of ownership have not transferred to the Council.

(l) Taxation

The Council, as a registered charity, is exempt from taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to their charitable purposes.

In common with many other charities, the Council is unable to recover the entirety of Value Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

(m) Related parties

The Church of England is governed by a large number of legally independent bodies in its parishes, cathedrals and dioceses as well as at national level. These bodies, with the exception of those set out below, are not related parties as defined in the Charities SORP or Section 33 of FRS 102. Transactions and balances with these bodies are accounted for in the same way as other transactions and, where material, are separately identified in the notes to the financial statements.

The Council, together with the Church Commissioners and the Church of England Pensions Board are equal partners in Church of England Central Services (ChECS), a joint venture (jointly controlled entity). The Council's interest in ChECS is not consolidated as the Council is not a group. Any balances owing to or from ChECS are recorded in debtors/creditors. Further detail is provided in note 17.

The Council is also a related party to the following pension funds, operated by the Church of England Pensions Board: Church of England Funded Pension Scheme; Church Administrators Pension Fund, Church Workers Pension Fund. Details about the pension funds, including contributions paid, are given in note 14.

(n) Cash at bank and in hand

Cash at bank and in hand includes deposits which can be withdrawn within 24 hours without penalty and deposits which have a maturity period of 3 months or less and are not subject to significant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

2. Income from grants, donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000
Grants received from:								
Church Commissioners	19	59,939	-	59,958	635	103,954	-	104,589
The Pilgrim Trust	-	185	-	185	-	185	-	185
The Cathedrals Repair Fund	-	-	-	-	-	8,737	-	8,737
Corporation of Church House	1,752	500	-	2,252	-	-	-	-
Others	388	635	-	1,023	67	170	-	237
Discounting adjustment	-	(1,710)	-	(1,710)	-	-	-	-
Total grants received	2,159	59,549	-	61,708	702	113,046	-	113,748
Gift of rent-free accommodation	-	-	-	-	664	-	-	664
Contributions from dioceses	11,747	21,287	-	33,034	11,396	20,581	-	31,977
Legacies	15	-	-	15	184	52	10	246
Other donations	51	153	82	286	50	318	-	368
Total income from donations and legacies	13,972	80,989	82	95,043	12,996	133,997	10	147,003

Grant income from the Church Commissioners

Restricted grant income from the Church Commissioners is used by the Council to support investment in the spiritual and numerical growth of the Church, with funds earmarked for the support and development of mission in the lowest income communities, and for new growth opportunities in the Church.

First World War Centenary Cathedrals Repair Fund

Grant funding totalling £40 million was awarded to the Archbishops' Council by the Department of Culture, Media and Sport, in relation to the Church of England First World War Centenary Cathedrals Repair Fund, to be spent between October 2014 and December 2018. No additional grant funding was awarded for 2019.

For related grant expenditure, see notes 5 and 6(d) for further information.

Grant from Corporation of Church House

The Corporation awarded the Council grants in 2019 to support Safeguarding and Ministry training.

Discounting adjustment

Long-term grant funding is, where material, discounted to reflect the net present value of future receipts. The discount rate used varies based on the time until the debtor is due to be settled.

Gift of rent-free accommodation

The Corporation of the Church House, which exists to provide accommodation to the NCIs, granted a rent-free period to the Council for its lease of office space at Church House in 2018.

In 2018, income of £664,000 consisted of the total gift of rent-free accommodation from the Corporation of the Church House of £1,377,000 less the proportion of rent that would have been recovered from the other NCI tenants.

As noted above, from 1 January 2019 the Corporation of the Church House charged rent to the Council in accordance with the terms of the lease, therefore no equivalent gift is accounted for in 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

3. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2019	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Accommodation – income from sub-tenants	1,621	-	-	1,621	1,529	-	-	1,529
Church House Publishing	366	-	-	366	358	-	-	358
Conferences and courses	420	2	-	422	443	-	-	443
Other income	540	68	-	608	400	-	-	400
Total income from charitable activities	2,947	70	-	3,017	2,730	-	-	2,730

4. Income from investments

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2019	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Dividends	-	-	99	99	-	3	77	80
Interest on cash and deposit funds	19	40	7	66	27	38	7	72
Total income from investments	19	40	106	165	27	41	84	152

5. Expenditure on charitable activities

	Grants awarded	Direct costs	Support costs	Total 2019	Grants awarded	Direct costs	Support costs	Total 2018
	Note 6	Note 7	Note 8	£'000	£'000	£'000	£'000	£'000
Charitable objective	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Evangelism	21,617	1,463	940	24,020	65,098	851	406	66,355
Discipleship	-	580	613	1,193	-	455	400	855
Ministry	59,005	1,903	1,136	62,044	58,147	1,992	677	60,816
Common good	-	1,259	918	2,177	-	1,741	686	2,427
Education	19	536	289	844	146	593	178	917
Resources for the Church	1,238	981	1,690	3,909	10,200	966	1,597	12,763
Safeguarding	-	2,698	1,204	3,902	-	1,590	342	1,932
Governance for the Church	-	1,335	1,189	2,524	-	1,436	914	2,350
A Church for all people	-	318	255	573	-	469	166	635
Total charitable expenditure	81,879	11,073	8,234	101,186	133,591	10,093	5,366	149,050

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2019****6. Grant making**

A full list of grants awarded to institutions can be obtained by sending a written request to the Chief Finance and Operations Officer at the Archbishops' Council's registered office.

Long-term grant funding is, where material, discounted to reflect the net present value of future payments. The discount rate used varies based on the time until the creditor is due to be settled.

a) Evangelism

	2019	2018
	£'000	£'000
Strategic development funding to 17 dioceses (2018: 23)	21,278	64,125
Other Evangelism grants awarded:		
SDF Non-Diocesan grants	975	4
Grants awarded from the Mission Agencies Pension Contributions Fund	706	753
Grants awarded to Church Urban Fund	203	203
Other institutions	152	13
Total grants awarded for Evangelism before discounting	23,314	65,098
Discounting adjustment	(1,697)	-
Total grants awarded for Evangelism	21,617	65,098

Grants for Evangelism were distributed to dioceses under the Strategic Development Funding stream. This funding for new growth opportunities aims to support major change projects which fit with dioceses' strategic plans. Dioceses are accountable to the Council in respect of these grants and provide details of how they have spent the grants. Strategic Development Funding has also been awarded to 5 non-diocesan Church bodies in relation to key projects in support of Church growth.

The Church Commissioners are statutorily required under the Pensions Measure 1997 to meet the pension costs of clergy who are employed by those mission agencies which were Church of England members of the Partnership for World Mission at the time the Measure was passed. By agreement, the Council met the full cost of this liability, which was £706,000 (2018: £753,000). The contribution was made in respect of an average number of clergy of 77 in 2019 (2018: 81).

b) Ministry

	2019	2018
	£'000	£'000
Lowest Income Communities (LiNC) funding (to 26 dioceses (2018: 26))	25,560	24,770
Transitional funding (2017-2026) (to 20 dioceses (2018: 20))	9,750	10,919
Restructuring funding to 5 dioceses (2018: 6))	1,323	2,635
Grants for ministry training to 115 individuals and 71 institutions (2018: 286 individuals and 75 institutions))	17,101	14,573
Grants for clergy retirement housing (to the Church of England Pensions Board)	5,046	4,806
Other grants	235	444
Total grants awarded for Ministry before discounting	59,015	58,147
Discounting adjustment	(10)	-
Total grants awarded for Ministry	59,005	58,147

LiNC funding provides funding for mission in communities with the lowest incomes. The distribution of funds is formula-based - the allocation method begins by assessing the average income of the residents of each diocese. The funding goes to dioceses whose residents have an income below the national average.

Transition funding is distributed (at a declining rate over ten years from 2017) to dioceses whose funding for the support of the lowest income communities is less than under the previous 'Darlow' grant funding method which ended in 2016.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2019****6. Grant making (continued)****b) Ministry (continued)**

In addition, dioceses receiving Transition Funding have been allocated a one-off sum of Restructuring Funding in the first three years of the transition period, which is released on application by the Diocese. This is proportionate to their reduction in funding under the new allocation method. It can be used for any purpose which helps the dioceses develop mission and growth.

Grants awarded for ministry training have been paid to Dioceses since September 2017. Ordinands entering training now have their tuition fees and some allowances paid for by a block grant, given to dioceses according to the number and ages of their ordinands, irrespective of their pathway choice. Ministry Division still pays grants direct to those ordinands who started training before September 2017. Grant funding for Ministry training is recognised and paid over a period of up to three years, subject to successful completion of each term of training. Accordingly, the value of grant funding recognised in the year represents funding awarded for the period to the end of December 2019. If all ordinands in training at 31 December 2019 were to complete their training, the Council would award a further £23.5 million in grants over the next 2.5 years. This is expected to be funded from future years' Training for Ministry diocesan apportionment income.

The Archbishops' Council provides funding to the Church of England Pensions Board to enable it to offer subsidised housing to retired clergy. The grant helps funds the repair, maintenance and other costs associated with properties available for retired clergy to rent or occupy under licence.

c) Education

	2019	2018
	£'000	£'000
Church Colleges of Education Fund	4	130
Other	15	16
Total grants awarded for Education	19	146

The Church Colleges of Education Fund provides funds to advance education by promoting the effectiveness of Church of England Colleges of Higher Education and Universities.

d) Resources for the Church

	2019	2018
	£'000	£'000
<i>Grants awarded from the Grants and Provisions Fund:</i>		
Anglican Communion Office	588	571
Churches Together in England	150	150
Other institutions	224	256
Total grants awarded from the Grants and Provisions Fund	962	977
<i>Grants awarded for development of Church buildings for worship and service:</i>		
Grants funded by the Pilgrim Trust (to 89 institutions (2018: 92 institutions))	212	192
Grants funded by the First World War Centenary Cathedrals Repair Fund (to 0 cathedrals/institutions (2018: 43 cathedrals/institutions))	-	8,737
Other cathedral grants	45	77
Total grants awarded for development of Church buildings for worship and service	257	9,006
<i>Other grants awarded:</i>		
Strategic Development Funding (Clergy Data and Pathways projects)	-	186
Other grants	19	31
Total grants awarded for Resources for the Church	1,238	10,200

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2019****7. Direct costs**

Charitable objective	Administration and central office costs	Department running costs	2019 Total	Administration and central office costs	Department running costs	2018 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Evangelism	292	1,171	1,463	201	650	851
Discipleship	116	464	580	101	354	455
Ministry	380	1,523	1,903	459	1,533	1,992
Common good	251	1,008	1,259	403	1,338	1,741
Education	107	429	536	141	452	593
Resources for the Church	196	785	981	211	755	966
Safeguarding	436	2,262	2,698	252	1,338	1,590
Governance for the Church	266	1,069	1,335	328	1,108	1,436
A Church for all people	64	254	318	113	356	469
Total direct costs	2,108	8,965	11,073	2,209	7,884	10,093

Direct costs are costs incurred by the Council to directly fund its charitable activities. Central costs are apportioned according to an activity-based time split. Administration and Central Office costs include costs associated with holding conferences and courses, costs associated with Church House Publishing, and other costs such as non-staff expenses. Department running costs include staff remuneration costs (per note 9), departmental legal and professional fees, plus other departmental expenses. Total legal and professional fees incurred by Archbishops' Council departments during 2019 were £1,622,000 (2018: £1,396,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

8. Support costs

	Note	Evangelism	Discipleship	Ministry	Common good	Education	Resources for the Church	Safeguarding	Governance for the Church	A Church for all people	2019 Total	2018 Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Support costs												
Accommodation		401	160	522	346	147	269	599	365	87	2,896	2,737
Shared service costs		489	434	547	529	124	1,387	529	719	156	4,914	4,643
Other		6	2	8	5	2	4	9	6	1	43	47
Total support costs		896	596	1,077	880	273	1,660	1,137	1,090	244	7,853	7,427
Governance costs												
Audit fees		5	2	7	4	2	3	8	5	1	37	34
Internal audit and risk management		-	-	-	-	-	-	-	57	-	57	96
Membership and committees		1	-	1	1	-	1	1	1	-	6	7
Total governance costs		6	2	8	5	2	4	9	63	1	100	137
Total support and governance costs (before movement on pension deficit provision)												
		902	598	1,085	885	275	1,664	1,146	1,153	245	7,953	7,564
Movement on pension deficit provision												
Interest on provision	14	5	2	9	5	2	4	9	6	3	45	73
Re-measurement of provision	14	33	13	42	28	12	22	49	30	7	236	(2,271)
Total support and governance costs 2019		940	613	1,136	918	289	1,690	1,204	1,189	255	8,234	5,366
Total support and governance costs 2018		406	400	677	686	178	1,597	342	914	166		5,366

Support costs are costs incurred by the Council for administering its charitable activities. These costs include salaries, other running costs and a share of overheads. Overheads are apportioned according to an activity-based time split.

Shared services include the Council's share of the costs incurred by Church of England Central Services (ChECS), a charitable joint venture between the Council, Church Commissioners and the Church of England Pensions Board established to facilitate the provision of cost-effective shared financial, legal and other services.

Governance costs relate to the general running of the Council including supporting the work of its committees and audit costs.

Expenses incurred by members in attending Council and committee meetings and on other business of the Council were reimbursed to 13 members (2018: 16) totalling to £6,000 (2018: £7,000). The members of the Council have no entitlement to salary or pension arising from their services to the Council.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

8. Support costs (continued)

For comparative purposes, the table below shows details of 2018 support costs.

Note	Evangelism	Discipleship	Ministry	Common good	Education	Resources for the Church	Safeguarding	Governance for the Church	A Church for all people	2018 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Support costs										
Accommodation	249	124	569	500	175	261	312	407	140	2,737
Shared service costs	349	372	547	571	137	1,537	270	725	135	4,643
Other	4	2	10	9	3	5	5	7	2	47
Total support costs	602	498	1,126	1,080	315	1,803	587	1,139	277	7,427
Governance costs										
Audit fees	3	2	7	6	2	3	4	5	2	34
Internal audit and risk management	-	-	-	-	-	-	-	96	-	96
Membership and committees	1	-	1	1	1	1	1	1	-	7
Total governance costs	4	2	8	7	3	4	5	102	2	137
Total support and governance costs (before movement on pension deficit provision)										
	606	500	1,134	1,087	318	1,807	592	1,241	279	7,564
Movement on pension deficit provision										
Interest on provision	14	7	3	15	13	5	7	8	11	73
Re-measurement of provision	14	(207)	(103)	(472)	(414)	(145)	(217)	(258)	(338)	(2,271)
Total support and governance costs 2018	406	400	677	686	178	1,597	342	914	166	5,366

9. Staff numbers and remuneration

The Council is joint employer, together with the other NCIs, of most of the staff of the NCIs, one of which is specified as their managing employer. The Chief Executive is employed directly by the Council.

The work of the Council is supported by staff in shared service departments managed by Church of England Central Services (ChECS) (see note 17) which provides finance, HR, communications, legal, IT and internal audit services to the NCIs. The SORP requirements are that the costs of staff employed by third parties who operate on behalf of the Charity should be disclosed in the accounts. In order to comply with the spirit of the SORP, the total costs of all ChECS staff are shown in the tables. The Council's share of their costs was £3,790,000 (2018: £3,456,000).

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2019****9. Staff numbers and remuneration (continued)**

The cost of staff for which the Council is the managing employer and for ChECS (in total) was:

	Archbishops' Council		ChECS	
	2019	2018	2019	2018
	Number	Number	Number	Number
Average Number Employed	124	117	165	161
	£'000	£'000	£'000	£'000
Salaries	5,318	4,796	7,463	7,099
National Insurance Costs	594	538	820	784
Pension Contributions	726	699	1,796	1,673
Total cost of staff	6,638	6,033	10,079	9,556

Included in the Council's own staff costs is £52,000 (2018: £0) paid by way of redundancy costs to 4 (2018: zero) individuals, the costs of which are accounted for in full in the year in which the restructure is announced.

The number of staff whose emoluments for the year fell in the following bands were:

	Archbishops' Council		ChECS	
	2019	2018	2019	2018
	Number	Number	Number	Number
£60,001 to £70,000	5	8	13	13
£70,001 to £80,000	4	1	5	5
£80,001 to £90,000	3	4	5	5
£90,001 to £100,000	1	-	4	3
£100,001 to £120,000	-	-	1	-
£120,001 to £130,000	-	-	1	-
£140,001 to £150,000	-	-	-	2
£150,001 to £160,000	-	-	1	-
£170,001 to £180,000	1	1	-	-

Of the staff above managed by the Council, 9 (2018: 9) accrue benefits under the CAPF defined contribution scheme for which contributions for the year were £95,000 (2018: £110,000). A further 3 staff (2018: 4) accrue benefits under defined benefit schemes, with 2 (2018: 2) in the CAPF and 1 (2018: 2) in the CEFPS. Defined benefit contributions for the year were £36,000 (2018: £43,000).

Of the staff above managed by ChECS, 24 (2018: 22) staff members accrue benefits under the CAPF defined contribution scheme for which contributions for the year were £256,000 (2018: £217,000). The remaining 6 staff members (2018: 6) accrue benefits under a defined benefit scheme. Defined benefit contributions for the year for these staff were £95,000 (2018: £102,000).

The Council's senior executive leadership team comprises 15 individuals, for whom the Archbishops' Council was the managing employer of 10 individuals and ChECS was the managing employer of 5. Their aggregate remuneration, including pension contributions, is £1,283,000 (2018: £1,111,000).

Staff loans

Interest-free loans are made available to all staff for travel season tickets and for the purchase of bicycles and electric scooters.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

10. Investments

	Investment funds	Programme Related Social investments	2019	Investment funds	Programme Related Social investments	2018
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January	32,524	3,225	35,749	35,191	3,225	38,416
Additions	11,386	-	11,386	5,065	-	5,065
Disposals	(12,342)	-	(12,342)	(6,113)	-	(6,113)
Unrealised gains / (losses) on revaluation	5,070	-	5,070	(1,619)	-	(1,619)
At 31 December	36,638	3,225	39,863	32,524	3,225	35,749

Investment funds

Funds were principally held in collective investment schemes managed by Sarasin & Partners LLP, Ruffer LLP and CCLA Management Limited. Investments held with Ruffer were transferred to CCLA in Summer 2019. Investments were held as follows:

	2019	2018
	£'000	£'000
Sarasin	25,153	21,649
Ruffer	-	10,829
CCLA	11,478	39
Other	7	7
At 31 December	36,638	32,524

The investment funds consisted of the following underlying assets:

	2019	2018
	£'000	£'000
Equities	26,152	18,239
Property	2,597	1,972
Index linked / Fixed interest securities	3,692	8,212
Infrastructure / Alternative	2,504	2,734
Cash and cash equivalents	1,693	1,367
At 31 December	36,638	32,524

Programme Related Social investments

Two properties are held by the Council and meet the definition of 'social investments' as set out in the SORP. The properties are deemed to meet the educational objects of the charity as they are both leased to charities which are obliged to maintain an Anglican ethos.

The freehold at Parkstead, Roehampton is leased to the Whitelands College Foundation on two long leases.

The freehold interest in St Katherine's College, Childwall, Wavertree, Liverpool is leased to Liverpool Hope University on a long lease.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2019****11. Debtors**

	2019	2018
	£'000	£'000
Amounts due within one year		
Trade debtors	939	371
Prepayments	750	317
Amounts due from NCIs	920	379
Amounts due from colleges and schools	154	59
VAT and social security	294	168
Other debtors	177	49
Grants receivable – SDF diocesan and restructuring grants	23,228	37,003
Grants receivable – SDF non-diocesan grants	1,508	862
Grants receivable – other grants	570	490
Total debtors due within one year	28,540	39,698
Amounts due after more than one year		
Amounts due from colleges and schools	-	154
Grants receivable – SDF diocesan and restructuring grants	85,185	67,401
Grants receivable – SDF non-diocesan grants	600	744
Total before discounting adjustment	85,785	68,299
Discounting adjustment	(1,710)	-
Total debtors due after one year	84,075	68,299
Total debtors	112,615	107,997

12. Creditors

	2019	2018
	£'000	£'000
Amounts due within one year		
Trade creditors	642	723
Grants payable - SDF diocesan and restructuring grants	23,228	37,003
Grants payable - SDF non-diocesan grants	606	136
Grants payable - other grants	524	850
Accruals and deferred income	1,977	298
Amounts due to NCIs	-	49
Other creditors	51	91
Total creditors due within one year	27,028	39,150
Amounts due after more than one year		
Grants payable - SDF diocesan and restructuring grants	85,185	67,354
Grants payable - SDF non-diocesan grants	383	47
Total before discounting adjustment	85,568	67,401
Discounting adjustment	(1,707)	-
Total creditors due after more than one year	83,861	67,401
Total creditors	110,889	106,551

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2019****12. Creditors (continued)**

For grants payable due in more than one year, the grant funding is due to be settled in the following periods:

Grant stream	2021	2022	2023	2024	2025	2026 and beyond	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
SDF Diocesan	32,232	20,834	15,764	10,461	4,479	735	84,505
SDF Non-Diocesan	296	86	2	-	-	-	384
Restructuring	417	262	-	-	-	-	679
Total before discounting adjustment	32,945	21,182	15,766	10,461	4,479	735	85,568
Discounting adjustment	(394)	(385)	(391)	(333)	(171)	(33)	(1,707)
Total	32,551	20,797	15,375	10,128	4,308	702	83,861

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

13. Statement of funds

The table below shows details of 2019 movements on funds material to the Council in terms of fund value or in-year movement or those funded by diocesan apportionment (*).

Fund	Fund balance brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
General Fund	2,617	16,591	(19,309)	2,097	199	2,195
Designated funds						
Church Schools Fund	541	-	-	-	-	541
Church House planned maintenance	537	-	(161)	-	-	376
Social investments: properties	3,225	-	-	-	-	3,225
CHARM (*)	411	-	-	-	-	411
Other designated funds	1,237	347	(49)	(161)	-	1,374
Total designated funds	5,951	347	(210)	(161)	-	5,927
Total unrestricted funds before pension reserve	8,568	16,938	(19,519)	1,936	199	8,122
Pension deficit reserve	(2,771)	-	367	-	-	(2,404)
Total unrestricted funds	5,797	16,938	(19,152)	1,936	199	5,718
Restricted funds						
Training for ministry fund (*)	2,572	15,340	(17,177)	1,837	-	2,572
Grants & provisions fund (*)	273	1,256	(1,186)	(20)	-	323
Mission agencies pension contributions (*)	271	824	(706)	-	-	389
CHARM (*)	397	5,049	(5,046)	-	-	400
Dioceses Fund	1,010	19	(13)	-	-	1,016
Legal costs	1,232	8	(164)	20	-	1,096
Strategic Development Funding (Diocesan)	-	21,278	(21,278)	-	-	-
Strategic Development Funding (Non-Diocesan)	1,475	1,167	(1,072)	(451)	-	1,119
Lowest Income Communities Funding (LInC)	-	25,560	(25,560)	-	-	-
Transition Funding	-	9,750	(9,750)	-	-	-
Restructuring Funding	-	1,323	(1,323)	-	-	-
Other restricted funds	1,129	(475)	1,397	(643)	-	1,408
Total restricted funds	8,359	81,099	(81,878)	743	-	8,323
Endowment funds						
Expendable endowment funds						
The Archbishops' Council Ministerial Training Trust Fund	1,017	46	(57)	(306)	216	916
Church Colleges of Education Fund	3,314	5	(3)	53	535	3,904
Church and Community Fund	19,911	(4)	-	(2,204)	3,167	20,870
Church of England Special Purposes Fund	1,689	-	-	-	133	1,822
Women's Continuing Ministerial Education Trust	1,573	-	(56)	(1)	120	1,636
MPA Sundry Funds	554	2	-	(125)	58	489
Other expendable endowment funds	1,137	88	(33)	(37)	56	1,211
Total expendable endowment funds	29,195	137	(149)	(2,620)	4,285	30,848
Permanent endowment funds						
The Archbishops' Council Ministerial Training Trust Fund	1,520	5	-	(6)	192	1,711
Church Colleges of Education Fund	664	21	(2)	(53)	116	746
Other permanent endowment funds	739	25	(5)	-	278	1,037
Total permanent endowment funds	2,923	51	(7)	(59)	586	3,494
Total endowment funds	32,118	188	(156)	(2,679)	4,871	34,342
Total funds of the charity	46,274	98,225	(101,186)	-	5,070	48,383

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

13. Statement of funds (continued)

Fund	Fixed Assets	Cash & Short Term Deposits	Debtors	Creditors	Provision for Pension Liability	NET ASSETS
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	4,652	1,778	2,759	(1,068)	(2,404)	5,717
Restricted Funds	-	8,318	109,795	(109,789)	-	8,324
Endowment Funds	35,211	(898)	61	(32)	-	34,342
Total	39,863	9,198	112,615	(110,889)	(2,404)	48,383

Unrestricted funds: General Fund

This fund is for general use in meeting national Church responsibilities and is not designated for particular purposes.

Unrestricted funds: designated funds

These funds comprise unrestricted funds which the Council has designated to be set aside for stated purposes:

Church Schools Fund is used to meet the cost of short-term loans to schools and grants to the Church Schools of the Future project.

Church House Planned Maintenance Fund comprises accumulated amounts set aside to meet maintenance costs related to the occupation of Church House.

Social investments properties fund represents the carrying value of the Council's properties (see note 10 for further details).

Pension deficit reserve represents the valuation of the deficit contributions to be met by the Council – see note 14 for further details.

Restricted funds

Training for Ministry Fund provides funds towards training for ordained ministry. This fund covers the tuition costs, university fees, college fees, personal maintenance and books and travel costs of sponsored ordinands prior to ordination.

The Grants and Provisions Fund provides funds towards the work of the Anglican Communion Office, the national and international ecumenical agencies, Church Urban Fund, Fresh Expressions and the Legal Costs Fund.

Mission Agencies Pensions Contributions Fund provides for pension contributions in respect of clergy who are employed by the mission agencies.

The Church's Housing Assistance for the Retired Ministry (CHARM) Fund provides grants to subsidise the scheme, which is administered by the Church of England Pensions Board to provide housing for those retiring from stipendiary ordained & lay ministry.

The Dioceses Fund holds other grants received from the Church Commissioners for distribution to the dioceses.

The Legal Costs Fund includes the Legal Aid Fund. General Synod is required by Measure to maintain a Legal Aid Fund, which is held by the Council on its behalf, to meet the costs of ecclesiastical legal aid awarded by the Legal Aid Commission.

Strategic Development Funding (Diocesan) is the vehicle by which grant funding from the Church Commissioners is distributed to dioceses to aid new growth opportunities.

Strategic Development Funding (Non-Diocesan) represents SDF funding made directly to the Archbishops' Council to support Renewal and Reform, and Research, Evaluation and Dissemination projects.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

13. Statement of funds (continued)

Restricted funds (continued)

Lowest Income Communities Funding provides funding for mission in communities with the lowest incomes.

Transition Funding represents grants to dioceses whose funding for the support of the lowest income communities is less than under the previous grant funding method used until the end of 2016.

Restructuring Funding represents additional transitional funding to dioceses made in the first three years of the transition period (2017-2019).

Endowment funds

Archbishops' Council Ministerial Training Trust Fund supports the training and maintenance of persons undergoing training for ordained ministry in the Church of England. This fund has an element that is expendable and an element that is permanent.

The Church Colleges of Education Fund provides funds to advance education by promoting the effectiveness of Church of England Colleges of Higher Education and Universities. This fund has an element that is expendable and an element that is permanent.

Church and Community Fund promotes the charitable work of the Church of England, by making grants towards the work of the Council generally.

Church of England Special Purposes Fund exists to provide for the advancement of religion in accordance with the doctrine of the Church of England.

Women's Continuing Ministerial Education Trust Fund exists to further the continuing ministerial education of those women in the Church of England and the Scottish Episcopal Church who are in need of financial assistance.

Transfers

The Council makes transfers of surpluses arising within general unrestricted funds to specific designated funds. The Council makes transfers from restricted funds to unrestricted funds only where such restricted funds are being applied in accordance with the object, purpose and restrictions of the underlying fund or charity. Transfers are made from expendable endowment funds to income funds to spend in accordance with the purpose of the underlying endowment.

The most significant transfers during the year were:

- £2,200,000 was transferred from the Church and Community Fund (transfer among endowment funds, restricted funds and general funds) to meet both ministerial training and general operating activities.
- £451,000 was transferred from the SDF Non-Diocesan Fund to the general fund in respect of Renewal & Reform activities.
- £166,000 was transferred from the ATL Ministry Experience Scheme (transfer between other restricted funds and general funds) to provide grants from and administration of the Ministry Experience Scheme.
- £156,000 was transferred from the Clewer Initiative fund (transfer between other restricted funds and general funds) to support administration of the Clewer Initiative which aims to enable dioceses and wider Church networks to develop strategies for detecting modern slavery in their communities.
- £146,000 was transferred from the Bats in Churches fund to the general funds in respect of the work on the Bats in Churches project (transfer between the restricted funds and general funds).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

13. Statement of funds (continued)

For **comparative purposes**, the table below shows details of **2018** movements on funds material to the Council in terms of value (more than £500,000) or those funded by diocesan apportionment (*).

Fund	Fund balance brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
General Fund	3,230	15,565	(17,621)	1,500	(57)	2,617
<i>Designated funds</i>						
Church Schools Fund	543	-	(2)	-	-	541
Church House planned maintenance	802	-	(265)	-	-	537
Social investments: properties	3,225	-	-	-	-	3,225
CHARM (*)	411	-	-	-	-	411
Other designated funds	1,092	188	(155)	113	(1)	1,237
Total designated funds	6,073	188	(422)	113	(1)	5,951
Total unrestricted funds before pension reserve	9,303	15,753	(18,043)	1,613	(58)	8,568
Pension deficit reserve	(5,571)	-	2,800	-	-	(2,771)
Total unrestricted funds	3,732	15,753	(15,243)	1,613	(58)	5,797
Restricted funds						
Training for ministry fund (*)	2,692	14,406	(14,724)	198	-	2,572
Grants & provisions fund (*)	238	1,245	(1,190)	(20)	-	273
Mission agencies pension contributions (*)	216	808	(753)	-	-	271
CHARM (*)	394	4,809	(4,806)	-	-	397
Dioceses Fund	1,003	57	(50)	-	-	1,010
First World War Centenary Cathedrals Repair Fund	4	8,737	(8,739)	-	-	2
Legal costs	1,303	9	(100)	20	-	1,232
Strategic Development Funding (Diocesan)	-	64,125	(64,125)	-	-	-
Strategic Development Funding (Non-Diocesan)	1,279	789	(291)	(302)	-	1,475
Lowest Income Communities Funding (LInC)	-	24,770	(24,770)	-	-	-
Transition Funding	-	10,919	(10,919)	-	-	-
Restructuring Funding	-	2,635	(2,635)	-	-	-
Other restricted funds	1,204	729	(295)	(511)	-	1,127
Total restricted funds	8,333	134,038	(133,397)	(615)	-	8,359
Endowment funds						
<i>Expendable endowment funds</i>						
The Archbishops' Council Ministerial Training Trust Fund	1,442	51	(196)	(224)	(56)	1,017
Church Colleges of Education Fund	3,586	(1)	(130)	16	(157)	3,314
Church and Community Fund	21,534	-	-	(685)	(938)	19,911
Church of England Special Purposes Fund	1,768	-	-	-	(79)	1,689
Women's Continuing Ministerial Education Trust	1,706	-	(57)	(1)	(75)	1,573
MPA Sundry Funds	617	-	-	(36)	(27)	554
Other expendable endowment funds	1,206	6	(8)	(52)	(15)	1,137
Total expendable endowment funds	31,859	56	(391)	(982)	(1,347)	29,195
<i>Permanent endowment funds</i>						
The Archbishops' Council Ministerial Training Trust Fund	1,635	-	-	-	(115)	1,520
Church Colleges of Education Fund	714	19	(3)	(16)	(50)	664
Other permanent endowment funds	785	19	(16)	-	(49)	739
Total permanent endowment funds	3,134	38	(19)	(16)	(214)	2,923
Total endowment funds	34,993	94	(410)	(998)	(1,561)	32,118
Total funds of the charity	47,058	149,885	(149,050)	-	(1,619)	46,274

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2019****14. Pensions**

Most staff of the Council are members of the Church Administrators Pension Schemes (CAPF) and a small number of ordained staff are members of the Church of England Funded Pension Scheme (CEFPS). Both schemes are administered by the Church of England Pensions Board which publishes the schemes' financial statements.

The table below shows the value of the Council's pension provision for each scheme:

	2019	2018
	£'000	£'000
CAPF	2,374	2,665
CEFPS	30	106
Total	2,404	2,771

In addition, the closed Central Board of Finance Lump Sum Scheme provides benefits for former staff of the CBF.

The average number of the Council's staff within each scheme was:

	CAPF: defined benefit scheme	CAPF: defined contribution scheme	CEFPS	Total
2019	14	110	9	133
2018	15	96	6	117

Church Administrators Pension Fund (CAPF)

Defined benefit scheme: Staff who commenced service before 1 July 2006 are entitled to pension benefits based on final pensionable pay for service up to 30 June 2010 and career average for service from 1 July 2010. Increases of pension in payment and preserved pensions are linked to the consumer and retail price indices. There are no other post-retirement benefits.

The contributions to the scheme are assessed by an independent qualified actuary using the projected unit method of valuation. A valuation of this section is carried out every three years, the most recent having been at 31 December 2017. This revealed a deficit of £13.3m for the entire scheme. Following the valuation, the employers have collectively entered into an agreement with CAPF to continue to pay contributions of 19.1% of Pensionable Salaries (increasing to 23.5% of Pensionable Salaries with effect from 1 May 2023). The employers also agreed to make deficit payments of £2,667,723 per annum as at 1 January 2018, payable monthly until 30 April 2023, in respect of the shortfall in the Defined Benefit Section (increasing each 1 January by 3.3% per annum). These deficit contributions are made by each employer in proportion to Pensionable Salaries of those in the Defined Benefit Section.

The table below shows the movement on the provision in respect of the council:

	Provision brought forward	Contributions paid	Interest charged on provision	Adjustment to net present value of provision	Provision carried forward
	£'000	£'000	£'000	£'000	£'000
Council staff	1,603	(370)	26	215	1,473
Share of ChECS staff	1,062	(263)	17	84	901
Total provision	2,665	(633)	43	299	2,374

This liability represents the present value of the deficit contributions agreed as at the accounting date. The discount rate applied to calculate the present value is 1.1% (2018: 1.8%).

In addition, the employers are responsible for making contributions towards the administration costs of the scheme of £390,000 (2018: £210,000). In 2019, the Council's share of these costs was £69,000 (2018: £37,000).

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2019****14. Pensions (continued)**

Defined contribution scheme: Staff who commenced service after 30 June 2006 are entitled to pensions earned from the contributions paid into a personal pension scheme by the Council and themselves. The Archbishops' Council paid contributions of £548,000 in 2019 (2018: £515,000).

Church of England Funded Pension Scheme (CEFPS)

A small number of ordinands are members of the Church of England Funded Pension Scheme (CEFPS), also administered by the Church of England Pensions Board.

Each responsible body in the CEFPS, including dioceses, pays a common contribution rate. The contributions to the scheme are assessed by an independent qualified actuary using the projected unit method of valuation.

The last full valuation of the scheme, as at 31 December 2018, showed an overall deficit of £50m. As a result of this, a recovery plan was put in place until 31 December 2022. The deficit recovery contributions are set at 11.9% of pensionable stipends up to Dec 2020 and 7.1% thereafter until Dec 2022.

The table below shows the movement on the provision:

	Provision brought forward	Contributions Paid	Interest charged on provision	Adjustment to net present value of provision	Provision carried forward
	£'000	£'000	£'000	£'000	£'000
Council staff	106	(15)	2	(63)	30
Total provision	106	(15)	2	(63)	30

Central Board of Finance Lump Sum Scheme

The Central Board of Finance Lump Sum Scheme provides retirement benefits to former staff of the Central Board of Finance (CBF). Due to the preserved nature of the CBF lump sum pension liability, provision for the fixed cash payments has been made in a designated fund. At 31 December 2019 there were 11 (2018: 14) former CBF employees entitled to receive lump sums upon reaching retirement age. The Scheme has HMRC approval under section 20 of the Finance Act 1970. The table below shows the sum set aside in a designated fund to provide for these in future.

	Fund brought forward	Lump sums paid	Fund carried forward
	£'000	£'000	£'000
Former CBF staff	30	(1)	29
Total fund	30	(1)	29

15. Operating leases

The amount due for land and buildings within the next 12 months, on a lease with the Corporation of the Church House, is £1,415,000 (12 months from 31 December 2018: £1,416,000). The cost is shared with the other NCIs. The current lease ends at 31st Dec 2020.

16. Funds held on behalf of others

The Council is custodian trustee for a number of funds which have trustees separate and independent from the Council but where the Council holds the trusts' investments on their behalf. The funds had a combined income of £102,000 (2018: £103,000), expenditure of £37,000 (2018: £83,000) and net assets of £3,475,000 (2018: £3,410,000).

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2019****17. Related parties**

The following amounts were paid to related parties in respect of grant funding from the Archbishops' Council:

- £203,000 (2018: £203,000) paid to Church Urban Fund.
- £29,000 (2018: £92,000) paid to Fresh Expressions.
- £46,000 (2018: £11,000) paid to Church Army.

Church Urban Fund and Fresh Expressions are classified as related parties to the Archbishops' Council as the Archbishops' Council appoints some of the trustees of Church Urban Fund and Fresh Expressions. Church Army is classified as a related party to the Archbishops' Council as the Chief Executive of the Church Army was an elected trustee of the Archbishops' Council until he resigned with effect from 16 September 2019.

The following amounts were received from related parties in respect of accommodation recharges and other agreements:

- £127,000 (2018: £119,000) paid by Church Urban Fund.
- £2,000 (2018: £2,000) paid by Church Army.

The following amounts were paid to related parties in respect of conference room hire:

- £3,000 (2018: £5,000) paid to Church Army.

Pension Schemes

Details of amounts paid to the pension schemes are disclosed in note 14.

Jointly Controlled Entity

ChECS is a charitable jointly controlled entity between the Archbishops' Council, the Church Commissioners, and the Church of England Pensions Board for which the three partners hold equal shares. The purpose of ChECS is to enhance the efficiency and effectiveness of the charitable national and diocesan institutions of the Church of England and of other charities with a church ethos, by facilitating the provision of cost-effective shared financial, legal and other services.

The charity was registered with the Charity Commission on 31 December 2013 and started operating from 1 April 2014. Prior to this, shared services were provided by each of the NCIs. Management of these services, provided by The Archbishops' Council, Church Commissioners and the Church of England Pensions Board, remained unchanged.

At the balance sheet date, the Council's share of net assets of ChECS was £nil (2018: £nil) and £170,000 (2018: £62,000) was owed to the Council by ChECS. During the year, the Council contributed to the costs of ChECS, as set out in note 9 of these accounts.

18. Post Balance Sheet Event

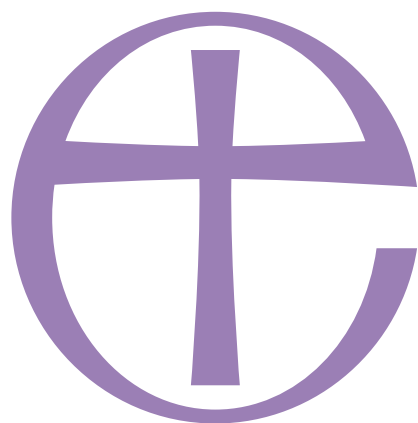
Subsequent to the year end, listed investment markets experienced substantial falls associated with uncertainties linked to the COVID-19 virus epidemic. As at 7 April 2020, being the last practicable date before approval of the financial statements for which information was available, the Council's investment balance had declined by 12% from the balance as at 31 December 2019.

The Council is also exposed to falls in listed investment markets and changes in actuarial assumptions linked to market data through its participation in the Church of England Funded Pensions Scheme and the Church Administrators Pension Fund. However, this will not have a direct impact on the Council's balance sheet because it accounts for these schemes as if they were defined contribution schemes. Any changes to contributions or deficit recovery arrangement will be considered as part of the next triennial actuarial review of the schemes.

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