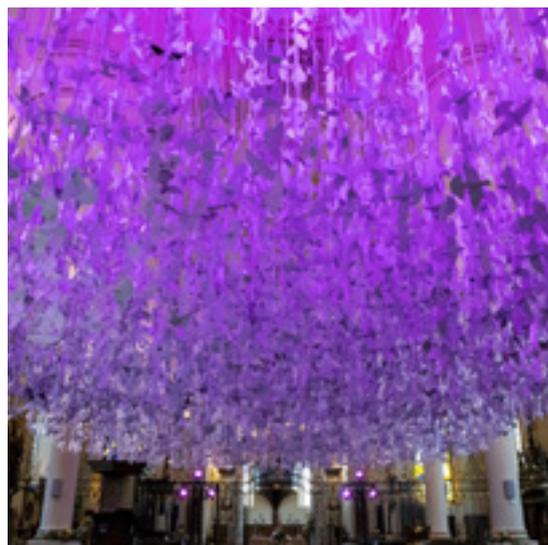




# The Archbishops' Council

Annual Report and Financial Statements  
for the year ended 31 December 2022







# **The Archbishops' Council**

## **Annual Report and Financial Statements**

for the year ended 2022

Registered Charity Number 1074857



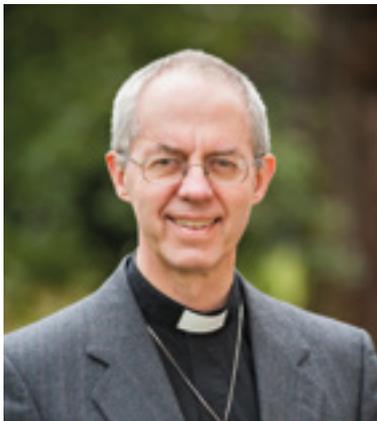
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# Presidents' Foreword



2022 was, in many ways, a historic year for the Church, the nation and the world. Amid the challenges, the Church of England followed its calling to worship God, to share the Good News of Jesus Christ, and to be at the heart of every community.

That unique call was evident in June, when churches and cathedrals across the country welcomed thousands to mark the Queen's Platinum Jubilee. Sadly, a few months later, church buildings held services of prayer and thanksgiving following the death of Her Majesty The Queen, offering a place to reflect and commemorate her life of service and devotion to the country and the Commonwealth. The Church of England co-ordinated a multi-faith chaplaincy offering, bringing comfort and a listening ear to hundreds of thousands of mourners who queued for Her Majesty's Lying-in-State at Westminster Hall,

and the Council made resources - including prayers, orders of service and hymns - available for churches to use around the country. In a time of great change, the Church made known the comfort of God's presence today, as well as His promise of eternal life forever.

Russia's invasion of Ukraine in February was – and remains – an act of great evil. We deeply lament the brutal massacre of Ukrainian civilians, the death of soldiers, and the fear, loss and uncertainty faced by Ukrainians, which has been met by prayers and support from the Church. Churches and Christians have welcomed Ukrainian refugees, donated money, and necessities, and prayed for an outpouring of the Spirit to bring the justice and hope that is so desperately needed. Closer to home, as the cost-of-living crisis impacts the most vulnerable people, churches have responded to Christ's call to love our neighbour,

providing welcome and support through foodbanks and the Warm Welcome campaign.

Over the summer, the Council staff supported the Lambeth Conference and the Church of England's bishops. Bishops representing 165 countries came together in Canterbury for the 15th Lambeth Conference in 155 years, deepening relationships across the Anglican Communion. As we prayed together and shared the challenges faced by Anglicans around the world, we committed to walk, listen, and witness together to the God who draws us together as one family.

Discussions at the Lambeth Conference reminded us of the challenge we face in the climate crisis, which already impacts Anglicans around the world. We recommitted ourselves to the responsible stewardship of God's creation and reconciliation with

our planet. Churches across the country are doing their bit locally to promote sustainability, as the Church of England pursues its Net Zero Carbon by 2030 goal.

The Council remains committed to equipping churches to make and sustain disciples of Jesus Christ, recognising each person's calling and encouraging vocations to lay and ordained ministry. The Church must not only reach out to all, but fully represent the communities we serve. In 2022, work continued in furthering the Church's Vision for the future, including goals to double the number of children and young active disciples in the Church of England by 2030. Safeguarding continues to be an integral part of the Church's ministry and mission - affirming the dignity of each person by being a safe place for all, especially children and vulnerable adults.

We give our heartfelt thanks for the prayers and hard work of the clergy, parish volunteers and congregations whose witness to God in a challenging year has been a sign of the hope and faithfulness of Jesus. Through the work of every part of the Church, we will continue to share the bold hope of the Good News, supporting the most vulnerable and sharing Christ's love with all.

As we begin another momentous year, with the Coronation of His Majesty King Charles and the Queen Consort, we are reminded again of God's grace. We pray together that God will continue to bless His Church and His children, that the Gospel will be proclaimed, and that Jesus will be known as the King of Kings. May the faith, courage, and light of the Church in dark and uncertain times be the hope of the world in 2023.



**Justin Cantuar:**



**Stephen Ebor:**

# The Archbishops' Council and the Church's Vision and Strategy

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's statutory object is to: Coordinate, promote, aid and further the work and mission of the Church of England.

## One Vision

The Church of England's calling is to proclaim the Good News of Jesus Christ afresh in each generation to the people of England.

The Vision for the Church in the 2020s is that we become a Church that is centered on Jesus Christ and shaped by Jesus Christ through the five marks of mission:

1. To proclaim the Good News of the Kingdom.
2. To teach, baptise and nurture new believers.
3. To respond to human need by loving service.
4. To seek to transform unjust structures of society, to challenge violence of every kind and to pursue peace and reconciliation.
5. To strive to safeguard the integrity of creation and sustain and renew the life of the earth.

There are three strategic priorities of this Vision for the 2020s:

1. To become a church of missionary disciples where all God's people are free to live

the Christian life, wherever we spend our time Sunday to Saturday.

2. To be a church where mixed ecology is the norm – where every person in England has access to an enriching and compelling community of faith by adding new churches and new forms of Church to our parishes, cathedrals, schools, and chaplaincies.
3. To be a church that is younger and more diverse.

## Six Bold Outcomes

From the three strategic priorities six bold outcomes were identified.

A church for everyone through:

- Doubling the number of children and young active disciples in the Church of England by 2030.
- A Church of England which fully represents the communities we serve in age and diversity.

A pathway for everyone into an accessible and contextual expression of church through:

- A parish system revitalised for mission so churches can reach and serve everyone in their community.
- Creating ten thousand new Christian communities across the four areas of home, work/ education, social and digital.

Empowered by:

- All Christians in the Church of England envisioned, resourced, and released to live as disciples of Jesus Christ in the whole of life, bringing transformation to the church and world.
- All local churches, supported by their diocese, becoming communities and hubs for initial and ongoing formation.

The Archbishops' Council has embraced this Vision and Strategy and organises its work to support it. Based on the Church's overall Vision and Strategy for the 2020s, the Council set new objectives based on the six bold outcomes of the Vision, explored in detail in the pages that follow.

# The Council's Objectives

1



## A Younger Church

Doubling the number of children and young active disciples in the Church of England by 2030.

2



## A More Diverse Church

A Church of England which fully represents the communities we serve in age and diversity, including race, disability, and deprivation.

3



## Parishes

A parish system revitalised for mission so churches can reach and serve everyone in their community.

4



## New Christian Communities

Creating 10,000 new Christian communities across the four areas of home, work / education, social and digital.

5



## Missionary Disciples

All Anglicans envisioned, resourced, and released to live out the five marks of mission in the whole of life, bringing transformation to the Church and world. All local churches, supported by their dioceses, becoming communities and hubs for initial and ongoing formation.

6



## Safety and Dignity

A Church that affirms the dignity of all people by being a safe place for all, especially children and vulnerable adults.

7

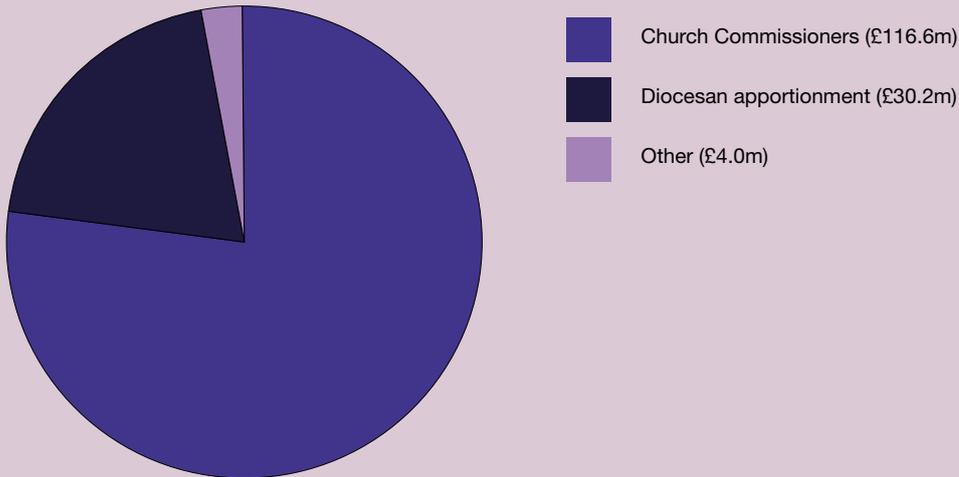


## Sustainability

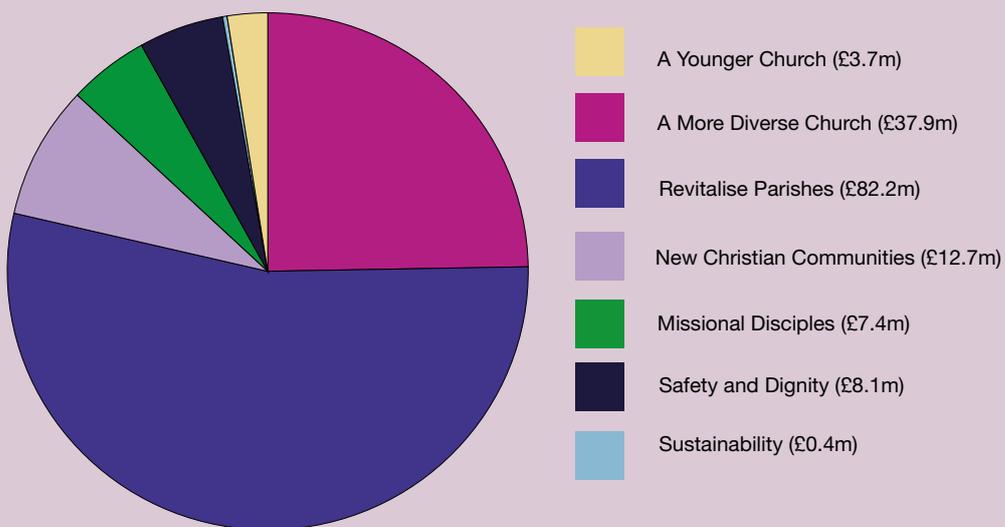
A Church that cherishes God's creation and leads by example in promoting sustainability.

# Financial Summary

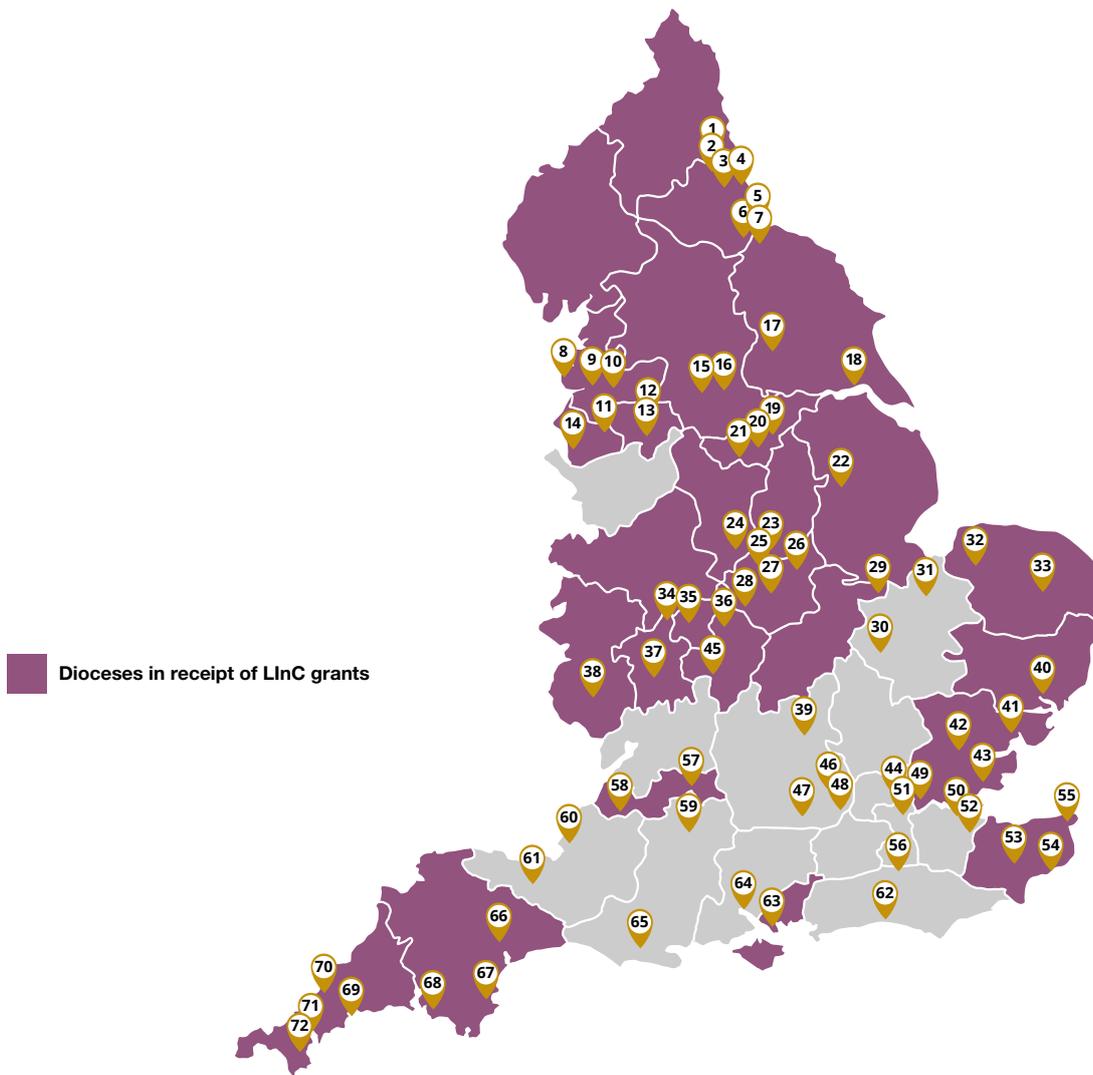
## Analysis of 2022 incoming resources of £150.8m



## 2022 Expenditure by charitable objective activity:



# Map of Awards



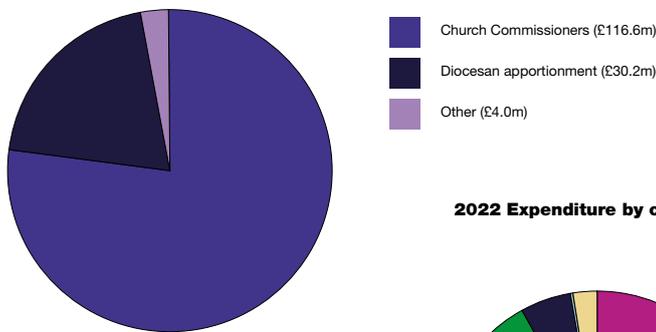
## SDF Projects

- |                     |                    |                |                       |                     |
|---------------------|--------------------|----------------|-----------------------|---------------------|
| 1. Newcastle        | 16. Leeds          | 31. Wisbech    | 46. Wycombe           | 61. Taunton         |
| 2. Gateshead        | 17. York           | 32. Fakenham   | 47. Reading           | 62. Brighton & Hove |
| 3. Washington       | 18. Hull           | 33. Norwich    | 48. Slough            | 63. Portsmouth      |
| 4. Sunderland       | 19. Doncaster      | 34. Dudley     | 49. Newham            | 64. Southampton     |
| 5. Hartlepool       | 20. Rotherham      | 35. Birmingham | 50. Medway            | 65. Rural Dorset    |
| 6. Stockton-on-Tees | 21. Sheffield      | 36. Coventry   | 51. Lambeth           | 66. Exeter          |
| 7. Middlesbrough    | 22. Lincoln        | 37. Worcester  | 52. Gillingham        | 67. Paignton        |
| 8. Blackpool        | 23. Nottingham     | 38. Hereford   | 53. Ashford           | 68. Plymouth        |
| 9. Preston          | 24. Derby          | 39. Bletchley  | 54. Dover             | 69. St Austell      |
| 10. Blackburn       | 25. Loughborough   | 40. Ipswich    | 55. Margate           | 70. Newquay         |
| 11. Wigan           | 26. Melton Mowbray | 41. Colchester | 56. Crawley           | 71. Truro           |
| 12. Rochdale        | 27. Leicester      | 42. Chelmsford | 57. Swindon           | 72. Falmouth        |
| 13. Manchester      | 28. Hinckley       | 43. Southend   | 58. Bristol           |                     |
| 14. Liverpool       | 29. Peterborough   | 44. London     | 59. Rural Wiltshire   |                     |
| 15. Bradford        | 30. Huntingdon     | 45. Stratford  | 60. Weston-super-Mare |                     |

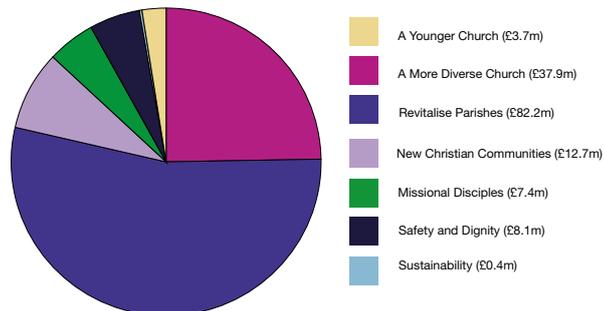
# Financial Summary | continued

These graphs show the breakdown of 2022 income and expenditure for the Archbishops' Council.

## Analysis of 2022 incoming resources of £150.8m



## 2022 Expenditure by charitable objective activity:



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 1998, the Council distributes money made available by the Church Commissioners each year to support ministry and mission in the dioceses. Resources expended are shown and analysed against the seven objectives agreed by the Council in 2022 as set out above.

The Church Commissioners and Archbishops' Council prepare

joint three-year spending plans. In 2019 the 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 per cent.

- 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 began in 2020:

- **Additional ordinands funding** to meet training costs for the incremental increase in ordinands and **Strategic Ministry Funding** to support

dioceses with the incremental costs of an increased number of curates resulting from this increase.

- **Strategic Transformation Funding** to support dioceses with financial difficulties wishing to undertake a major programme to provide a platform for the Church's sustainable growth.
- A **Giving Advisor Fund** which supports dioceses by part-funding additional diocesan giving advisors, who provide advice and guidance to parishes on encouraging giving and generosity.

The Council has worked with the Church Commissioners to vary the spending plans in response to emerging challenges and opportunities. This has included making provision for:

- up to £35m of **Sustainability Funding** to be granted in 2020-22 to help dioceses meet the financial challenges arising from the Covid-19 pandemic.
- Just over £15m of **Energy Cost Grants** to help parishes and Theological Education Institutions with the challenge of increased energy costs.
- £3m of **Ministry Hardship Funding** – grants to dioceses to supplement existing discretionary funds to support those clergy and lay ministers who faced the greatest challenge as a result of increased energy costs and other inflationary pressures.
- Just over £4m for grants to dioceses to help them fund **Posts of First**

**Responsibility** for those completing their curacy.

In Spring 2022, the Triennium Funding Working Group finalised its recommendations on spending plans for 2023-25 and outline plans for a further six years.

These recommendations, which focused on how national funding can be most effectively deployed to assist in the implementation of the Vision and Strategy, were approved by the Council and Church Commissioners. From the Archbishops' Council's perspective, the main elements of the spending plans for 2023-25 and the outline plans to 2031 were:

- Investment of up to £1.3 billion (over nine years) for strategic national investment to enable the bold outcomes and strategic priorities of the Vision & Strategy to be realised in local communities through investing in local ministry as part of diocesan strategies,
- A one-off commitment of £190m (over nine years) to support the Church in the transition towards Net Zero by 2030,
- £11m in support of Buildings for Mission to help parishes with the burden of buildings management,
- An allocation of up to £20m of focussed interventions in relation to Racial Justice to support the Church to make a step change, along with provision for other social justice and diversity priorities,
- £9m to enable the expansion of the Council's Social Impact Investment programme,

- A contribution towards the cost of National Church functions, including significant ongoing investment in Safeguarding. This will help minimise increases in diocesan apportionment in the near term.

### **Strategic Development**

**Funding** (SDF) supports major change programmes, projects or activities which fit with dioceses' strategic plans, which are intended to make a significant difference to their mission and financial strength. SDF projects have revitalised mission and brought people to faith in places and among groups that the Church feels it has under-served. SDF projects contribute to one or more of the Archbishops' Council's objectives and have been accounted for under the primary objective each supports.

The overall funding picture since the new criteria were introduced in 2017 has reached an exciting stage. The growing picture of strategic projects funded through SDF (illustrated in the Map of Awards overleaf) covers towns and cities across the entire country. Critically, this has rebalanced the allocation of funding through a particular focus on 'neglected or deprived areas' in parishes such as Margate, Dudley, Rochdale, and Blackpool. The map also shows in purple the dioceses which received Lowest Income Communities Funding in 2022. Even so, the map only gives a partial picture of the distribution of the distribution of grants made by the Council, the full details of which are set out in Note Six of the Financial Statements.

# From the Secretary General



Although 2022 was the year in which the Covid pandemic drew to a close, the year was nonetheless another very challenging one for the Church of England as a whole, and for the Archbishops' Council.

The Council continued to support dioceses and churches through the pandemic, both with guidance on recovery and reopening, and with some further tranches of Sustainability Funding for those facing financial difficulties. The provisional figures for Statistics for Mission have shown a continuing bounce-back in numbers of worshippers and of giving, but in most cases, they are still well short of the levels of before the pandemic in 2019. The Council has continued to run a weekly national online Sunday morning service, which has become a significant ministry in its own right. We have also continued to support parishes' financial position with diocesan giving advisors, materials on generosity and stewardship, and free or subsidised contactless giving devices.

In the wider world, 2022 was dominated by Russia's invasion of Ukraine. The Church responded to this act of evil by supporting and welcoming Ukrainian refugees, by speaking up for peace, and by helping churches and communities respond to the impacts of the war. The Archbishop of Canterbury showed solidarity with Ukraine and with its churches by visiting in

December, helping draw attention to the terrible human cost of the war.

Higher inflation and the cost-of-living crisis affected churches, parishioners, and communities, particularly through higher energy and utility bills. The Council provided £3m to dioceses for grants to help alleviate hardship for clergy and other ministers in the summer; £1.1m for Theological Education Institutions (TEIs) to help them survive a temporary downturn in numbers in training; and £15.1m of energy costs support, mainly for dioceses and parishes, but also for TEIs facing higher energy bills in the autumn.

Meanwhile the Council worked together with the Church Commissioners and the House of Bishops, through the Triennium Funding Working Group, to develop spending plans for the national church for the nine years from 2023 to 2031. These plans show a significant increase in distributions by the Church Commissioners, to fund the Church's national Vision and Strategy. The Council is grateful that the Church Commissioners plan to distribute 30% more in 2023-25 than in 2020-22 to support

and develop ministry, particularly amongst young and disadvantaged communities.

From 2023 dioceses are able to access Diocesan Investment Programme funding, replacing existing funding streams like Strategic Development Funding, Strategic Ministry Funding, and Strategic Transformation Funding. The governance oversight will be provided through a new Council sub-Committee – the Strategic Mission and Ministry Investment Board – which replaces the Strategic Investment Board and Strategic Ministry Board. The Vision and Strategy includes ambitious and exciting targets for the mission of the Church, for example to double the number of children and young people active in our churches by the end of the decade, and to ensure that there is a thriving family-focused church within reach of every child and young person – 3,000 such churches across the whole country. Much work has gone into preparing these plans. Their implementation will start in 2023.

Meanwhile the existing programmes of funding for dioceses continue. This included Strategic Development Funding grants for

supporting churches in areas such as Liverpool, Darlington, Southwark, and St Edmundsbury and Ipswich.

The exceptionally hot summer of 2022 will have reminded everyone of the importance of the Church's net zero carbon target. A road map to help churches work towards that locally was published in the year, and from 2023 there is a new net zero funding stream to help dioceses, churches, and all parts of the Church work towards this target.

Another important priority for the Council is racial justice. We have established a Racial Justice Unit for the first time, with its first director, the Reverend Guy Hewitt, starting work in November 2022. He and his team will support the work of the Committee for Minority Ethnic Anglican Concerns, and also the Archbishops' Racial Justice Commission, and will manage a fund allocated specifically for racial justice issues in the Church. This will build on the recommendations in the Archbishops' Task Force report, "From Lament to Action".

Council staff supported the work of the Living in Love and Faith (LLF) process. This was particularly

intensive in the autumn of the year, prior to the bishops' offering their response to LLF to the Church and to the General Synod early in 2023.

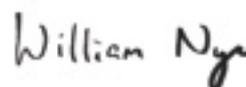
In September, the Church joined with the rest of the nation in mourning the death of Her Late Majesty Queen Elizabeth the Second. Churches and cathedrals helped communities across the whole country to mark the Queen's death, to mourn her and to give thanks for her life of service, and to pray for His Majesty King Charles.

I noted last year the untimely death early in 2022 of my predecessor, as Secretary General, Sir William Fittall. William spent over a decade as Secretary General, following a distinguished career in the civil service, and served as Independent Reviewer for the House of Bishops' Declaration after his retirement. He is much missed.

Bishop Mark Tanner joined the Archbishops' Council as one of the bishops elected from the House of Bishops, and as chair of the Ministry Council. He takes over from Bishop Martin Seeley, who in addition to chairing Ministry Council also contributed hugely to the Archbishops' Council's

work by leading the "Transforming Effectiveness" programme for the national church institutions. I would like to thank him for his service on the Council. During 2022 three new members were appointed to the Council's senior management group: as well as Guy Hewitt as Racial Justice director, we also welcomed Alexander Kubeyinje as national director of safeguarding, and Simon Gallagher as director of the central secretariat. On behalf of the Council and its staff, I am delighted to welcome them; and offer thanks to Jacqui Phillips who retired as director of the central secretariat, to Zena Marshall who served as interim director of safeguarding, and to Becky Clark who resigned as director of churches and cathedrals to take up a new role outside the NCIs.

I would like to thank all the staff of the Council, and of the other National Church Institutions, who once again have worked so hard to support the mission and ministries of the Church of England.



**William Nye, LVO**  
**Secretary General**

# 1 | A Younger Church

## Objective: Doubling the number of children and young active disciples in the Church of England by 2030

### **2022 Expenditure: £3.7m (2021: £6.8m).**

Mission to children and young people is a vital part of the Church's ministry, and this is reflected in our priority to double the number of children and young active disciples in the Church by 2030\*. In 2022, all projects awarded SDF included a focus on reaching children and young people.

### **Case Studies: Transforming Growth in Darlington (Durham Diocese):**

The project will invest in St Cuthbert's Church, which occupies a significant building dominating Darlington's town centre's marketplace, to grow a youth focused centre which will resource youth ministry across the deanery, with outreach focusing on the church's musical heritage. The project will also invest in six locations across the diocese to pilot church plants with a variety of models and contexts. This will support the Diocese's recently launched 'Cultivate' strategy to develop 100 locally sustainable, low-cost church plants in a variety of contexts. Awarded **£2.5m** towards a total project cost of £4.0m.

\* In 2019, the under-18s worshipping community was 216,000 and the under-16s average weekly attendance was 120,000. 2021 returns reflected the continuing impact of COVID-19 on the worshipping life of the Church of England and the under-18s worshipping community fell to 164,000 and the under-16s average weekly attendance to 75,000.

### **Transforming Tower Hamlets (London Diocese):**

Tower Hamlets is a very young area, with around 50% of the population under the age of 30. Accordingly, this project is focussed on younger people: youth (11-18s); young adults; and young families. In Tower Hamlets, church attendance is currently very low and the Church is not reaching large sections of the population. In 2019, fewer than 100 11-18-year-olds attended church in Tower Hamlets, out of a population of around 95,000 young people in the area.

Ordained and lay planting leads will be based at St Paul's Shadwell, Christ Church Spitalfields, and Bow Church, and will go on to plant a total of six new worshipping communities in Bethnal Green, Whitechapel, Shadwell, Stepney Green, Mile End, and Poplar, with a strong focus on young people in a multi-cultural context. An online churches network will signpost to social transformation and discipleship across the deanery.

Tower Hamlets is home to around 320,000 people and is growing fast, (10% growth in the last five years). In 2017 the Borough was the second most densely populated, had the fastest growing population (37% increase over ten years) and was the fourth youngest Borough in the UK. 38% of residents were Muslim. Eighteen parishes span the area, giving an average population of approximately 16,600 per parish.

The project will also research into engagement with Bangladeshi groups, leading to at least two pilot projects to engage with these groups. Awarded **£1.8m** towards a total project cost of £5.6m.

### **Growing faith**

Growing Faith is the movement that exists to put children, young people, and families instinctively at the heart of all the mission and ministry of the Church by changing the culture of the Church of England. It involves churches, schools and households working together.

In February 2022 the national Growing Faith Foundation was created, enabling seamless cooperation, shared vision, and resources to be developed. By September 2022, the new team was in place – with a Networks Lead, Partnerships Lead and Programmes Lead appointed, joining the Head of the Growing Faith Foundation. The Growing Faith Foundation seeks to benefit children and young people, helping them create the world they want to live in, specifically through the lens of the Christian faith. In the short term, this has meant focusing on 0-16-year-olds but in the medium to long term it will include 17-21-year-olds.

Every Diocese has appointed Growing Faith Champions to take forward the Growing Faith mission locally. In 2022, work began, with dioceses, to create 36 peer support

networks by 2024, with 12 of these established in 2022 and a further 24 to follow across 2023 and 2024.

### Prayer

In 2022, 450,000 story books on faithfulness were distributed to school-age children for the Queen's Platinum Jubilee and the *Thy Kingdom Come* prayer movement. The story books offered the opportunity for schools to engage children and young people in thinking creatively about prayer and faith and putting this into practice in their local communities. Initially a call to prayer by the Archbishops of Canterbury and York, *Thy Kingdom Come* has united more than a million Christians, annually from Ascension to Pentecost, in nearly 90% of countries worldwide ranging from Australia to Austria, South Africa to Sri Lanka and from Burundi to Brazil, from across denominations and traditions since it began in 2016.

### Youthscape

To help Vicars and their parishes connect with young people and recruit and train church volunteers for youth work, in 2022 the Council awarded a **£1.3m** grant to fund work led by Youthscape, a Christian charity supporting the church to deepen and develop work with young people.

The 'Launchpad scheme', run by Youthscape, was successfully piloted in the Dioceses of

Blackburn, London, and St Albans. The scheme has helped 140 Church of England clergy to formulate plans to work with young people in their parishes. The scheme will now be expanded to 450 churches across 18 dioceses over the next three years with the potential to engage with up to 4,000 young people. The grant will also fund training produced by Youthscape for up to 2,500 church volunteers to do youth work and resources to support youth work in up to 2,000 churches or groups.

### Case studies:

A significant proportion of Innovation Funding awards (see section under Objective Four) in 2022 focused on reaching children and young people, such as the following examples:

#### **Bubble Church (Southwark Diocese):**

**£250,000** to expand Sunday worship for families with no previous contact with the church. Southwark's 'Bubble Church' at Ascension in Balham, was piloted in October 2020 to see if they could connect with young families. Families would sit in a socially distanced "bubble", and join in with song, puppets, Bible story, prayer, simple and fun liturgy, with the option to stay on for the Family Service afterwards. The approach proved successful, and a congregation has grown from zero to around 100 in the 18 months

since. The success of the church has also helped other areas of church life – the Sunday school at the church's 10.30 service has grown with children who used to attend 'Bubble Church' and a new mid-week Bible-study and prayer group has been formed by 'Bubble Church' parents – the majority of whom were not previously churchgoers. Through Innovation Funding, Southwark Diocese is expanding the 'Bubble Church' formula out across five further churches to test its replicability.

"There are lots of young families in Balham, most of whom have no connection with church, and Bubble Church was our experiment to see if we could connect with them."

– **Vicar Marcus Gibbs.**

#### **Choir Church (Blackburn Diocese):**

**£249,530** was awarded to the Diocese of Blackburn to invest in up to 24 pioneering 'Choir Churches' where children will be taught hymns and anthems from the English choral tradition, meeting as a new congregation of parents, teachers, and the wider community.

The Choir Church initiative will include regular worship, to inspire young people to learn about the Christian faith and will be formed following similar projects to those in East London parishes and schools, as led by Tom Daggett of the Choir Church Foundation.

## 2 | A More Diverse Church

Objective: A Church of England which fully represents the communities we serve in age and diversity, including race, disability, and deprivation.

“

A diversity of voices and experiences enriches the discussions of the House of Bishops as we seek to be a church that truly embraces people of global majority heritage at every level of its life.”

**Stephen Cottrell,**  
**Archbishop of York.**

### **2022 Expenditure: £37.9m (2021: £36.2m)**

The Archbishops' Council is committed to diversity 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 serve and work for reconciliation, justice and flourishing of all people.

### **On Race**

In 2022, as part of work to drive cultural and structural change on issues of racial justice within the Church of England, the Archbishops Commission for Racial Justice (ACRJ) published its first Report (of six). The ACRJ, headed by The Rt Hon Lord Boateng, is responsible for monitoring, holding to account, and supporting the implementation of the forty-seven recommendations identified in the Racial Justice Taskforce's comprehensive 2020 report, *From Lament to Action*. The report outlines the scope and progress of this work.

The Commission produced a further report in February 2023 and will report twice a year thereafter, with recommendations to help identify, respond to, and root out systemic racism in the Church. The Commission will conclude its work in October 2024, with a final report drawing the work of the three years together. 2022 also saw the creation of the Church of England's

first Racial Justice Unit and the appointment of Guy Hewitt to lead the Unit, as the first Racial Justice Director, supporting both the Archbishops' Racial Justice Commission and the Committee on Minority Ethnic Anglican Concerns (CMEAC). (The Unit was set up following the recommendations of the Archbishops' Anti-Racism Taskforce report, *From Lament to Action*, published in April 2021).

### **Representative leadership**

In 2022, as part of steps towards making the leadership of the Church of England more representative, plans were put in place to elect clergy of UK Minority Ethnic (UKME) or Global Majority Heritage (GMH) backgrounds to be participant observers in the House of Bishops. The House of Bishops is both part of the General Synod and a body in its own right, made up of diocesan bishops and a number of elected suffragan bishops. Under the scheme introduced in 2022, there are at least 10 UKME/GMH people taking part in meetings of the House – either as existing members, or new “participant observers”.

The plans as agreed, involved electing three UKME/GMH members of the clergy and inviting three UKME/GMH bishops to

serve as participant observers, and Revd Canon Arun Arora, Revd Canon Dr Chigor Chike, and Revd Shemil Mathew, were elected accordingly, to serve as participant observers at the House of Bishops. Revd Canon Arun Arora was subsequently appointed Bishop of Kirkstall, in succession to Rt Revd Paul Slater, following his retirement. Revd Eileen Harris has since succeeded Arun as an elected observer.

### **UK Minority Ethnic (UKME) Head Teachers**

Around one in every three students in schools in England are from UKME backgrounds, but there are fewer than 400 headteachers from the same backgrounds in total, out of more than 20,000 schools. Research shows that the impact of teacher and school leader representation on students is significant; their attainment and likelihood of progressing to tertiary education is exponentially higher when students see leaders like them. Their exclusion and suspension rates decrease, and future aspirations are also measurably lower.

Data also shows that teachers from UKME backgrounds are much less likely to progress to senior positions within their schools than their white peers, becoming increasingly under-represented the more senior the role.

The 'Leaders Like Us' programme, developed by the Council in 2022 and launched in January 2023, seeks to double the existing number of headteachers from UKME backgrounds to 800 over the next five years. The programme equips UKME teachers with the skills for headship, by utilising research around what is known to work in the recruitment, progression, and retention of UKME school leaders. Funded through a Racial Justice Grant from the Archbishops' Council's Committee for Minority Ethnic Anglican Concerns (CMEAC), it opened for applications in 2022 and has funding to train more than 450 teachers by 2027.

### **On Disability**

In 2022, the Council continued to champion the contribution of disabled people to the life of the church and worked to overcome the barriers to fuller participation. In July, General Synod committed to the removal of barriers preventing disabled people from engaging with the Church, and unanimously backed a motion calling for better data collection, more inclusive language during services, and more disabled people working within the Church. These recommendations are being enacted, partly through the People System and with the support of the Legal Office and the Liturgical Commission. Further building on the Synod debate the Disability Task Group,

a sub-group of the Committee for Ministry and Mission among Deaf and Disabled People (CMDDP), chaired by the Bishop of Bedford continued to explore evidence-based actions for change and worked on a programme of support for disabled people in the church. This led to a funding request to the Archbishops' Council to enable the Diocesan Disability Advisor Conference, a Leadership Course, and a part-time Project Manager to work on a potential further bid. This funding request was approved in February 2023.

### **On Deprivation**

In 2022, £28.3m of Lowest Income Communities (LInC) funding was awarded to 28 dioceses, and £5.3m of transition funding between 17 dioceses. The funding seeks to give dioceses extra capacity for the strategic reallocation of funds to support mission in the poorest communities, to ensure that those in the poorest communities can have adequate provision of ministry. The purpose of the LInC Funding is to address imbalances in ministry investment between deprived and wealthier communities. From 2023, as part of the changes to diocesan funding, LInC funding is being brought into the wider Strategic Mission and Ministry Investment, with the intention to draw it more clearly into a diocese's strategic planning.

## 2 | A More Diverse Church | continued

In 2021, the Archbishops' Council's Strategic Investment Board commissioned an independent review of SDF and LInC funding, chaired by the economist Sir Robert Chote. The Review's report was published in March 2022. The Review, which was presented to the General Synod in July 2022, concluded that LInC funding has helped sustain the Church's ministry in many low-income communities that would otherwise lose it. It recommended that the primary role of LInC should continue to be in supporting and sustaining ministry in deprived communities and that funding levels should be at least maintained for the remainder of the ten-year transition period.

The Review also noted that Strategic Development Funding (SDF) is manifested in parishes revitalised, the creation of new worshipping communities and additional ordained and lay posts, with a focus on major and relatively deprived areas, that have been under-served. Diocesan capacity to effect missional change is improved, helping the whole Church, and there have been new disciples and fresh social action projects in communities. In the delivery of project-based funding to support mission and growth, Innovation Funding (see section on Objective Four) should be used to trial new ideas, while SDF should be used to scale up promising approaches, to help roll out relatively proven missional concepts and to develop and adapt them for new contexts. Resources should be provided to improve

reporting mechanisms for the funding, increase the participation of communities currently under-represented in the Church and ensure that the funding enables mission in all Church traditions and areas of the country.

The Review also recommended that, as well as these policy changes, there should be enhanced transparency and communication. The Archbishops' Council's Strategic Investment Board welcomed each of the Review's recommendations and has had conversations on the themes of church culture, outcome and learning collection, and transparency and communication. This work has been taken forward by the Strategic Mission and Ministry Investment Board which will take account of these recommendations in the development of the new funding streams for 2023 and beyond.

### **Case studies – grants:**

Since June 2021, in response to a recommendation in the report of the Archbishops' Anti-Racism Taskforce, *From Lament to Action*, the Council expanded the Strategic Development Funding (SDF) criteria to include explicitly targeting funding on UKME communities. The existing criteria of SDF already prioritised large urban areas and, within that, either deprived communities or young people, or both. This also encompassed many areas that contain significant UKME/GMH communities. As such, several previous SDF awards focus on UKME/GMH populations,

including Leicester's Intercultural Worshipping Communities, Chelmsford's Renewing Newham Project, and Oxford's Growing New Congregations project which includes forming an intercultural worshipping community at St Paul's Slough. SDF has also supported the development of UKME/GMH leaders within the Church through these projects, who have moved into developing further SDF projects and into leadership roles in the wider church. Chichester's 2022 award "The Beauty of Christ for Crawley's New Generation" is focused on raising up leaders from diverse backgrounds in Crawley.

Other funding streams also focused on supporting mission within UKME/GMH Groups and supporting new leaders. In 2022 Innovation Funding was awarded to IMPRINT Church, which hopes to raise up culturally equipped and theologically informed young adults, through showcase productions in London and nationally, and through hosting training for other churches to engage with young adults from diverse ethnic backgrounds creatively.

Innovation Funding was also awarded to the Peter Stream, which seeks to redress underrepresentation in ordained leadership in the Church of England — ethnic, social, and educational. This award will support the Peter Stream to expand beyond London to the East Midlands, working with Southwell & Nottingham, Leicester, and Derby dioceses.



## 3 | Revitalise Parishes

**Objective: A parish system revitalised for mission so churches can reach and serve everyone in their community.**

“

The local church is God's primary tool for the transformation of society”

**Justin Welby,  
Archbishop of Canterbury.**

### **2022 Expenditure: £82.2m (2021: £69.0m)**

The Archbishops' Council is committed to providing funding and practical support to assist the mission and ministry of parishes and other worshipping communities in their context. This includes overseeing the vocations and ordination training processes and providing some grant support for curacies and Posts of First Responsibility.

The impact of the Covid-19 pandemic on dioceses' finances continued into 2022 – as well as seeing the acceleration of longer-term trends. As part of a package of measures to support dioceses and, through them, parishes, during the Covid-19 pandemic, the Council had previously earmarked up to £35m of Sustainability Funding for distribution in 2020-22, to help dioceses maintain short-term financial stability as they developed or implemented strategies for long-term missional health and financial stability. In 2022 Sustainability Funding grants totalling £4.3m were awarded to 12 dioceses.

Against the backdrop of these ongoing challenges, the Council worked with the Church Commissioners to use unallocated funding and expenditure savings to create a £15m Energy Costs Fund to enable dioceses to support parishes with the rising cost of energy bills and to help Theological Education Institutions. This followed the £3m Ministry Hardship Funding created earlier in the year which was distributed to all dioceses to enable them to make grants to help those clergy and lay ministers, such as children and youth workers, struggling most with the cost-of-living crisis. These grants supplemented existing

discretionary funds held at diocesan level and other sources of financial support for clergy facing financial challenges.

Through Lowest Income Communities (LInC) funding, the Council continued to support ministry and social action in the lowest income communities. This is distributed to dioceses based on the size and average income of their populations, modified to reflect the proportion of the population with very low incomes. LInC was introduced in 2017, to better support dioceses' plans for developing mission and growth and has helped to sustain the Church's ministry in many low-income communities that would otherwise lose it. For further details about LInC, see previous section under Objective Two, On Deprivation.

In 2022 the Strategic Transformation Funding (STF) programme included two awards to the Dioceses of Liverpool, and St Edmundsbury and Ipswich. The STF programme helps dioceses develop and deliver mission and growth strategies to ensure a thriving and sustainable future for the Church. Both awards these made in 2022 will support Diocesan change



programmes which will make a significant difference to their missional and financial strength.

#### 1. The Diocese of Liverpool

was awarded £3.4m for the first tranche of their *Fit for Mission* strategy. Award of a further tranche will be considered following a review of the pilot of the work around Larger Single Parishes.

#### 2. The Diocese of St Edmundsbury and Ipswich

received an award of £1.3m, towards total project costs of £2.6m. (See section on Objective Four for more detail).

In 2022, two missional resources were developed and launched, supported by the Council:

**Leading in Evangelism**, an online resource designed to help church leaders in developing a culture for evangelism in their church. The content comprises of a series of one hour video-supported sessions, created to stimulate conversation, planning, and action.

**Everyday Witness**, a 10-week course on witness and evangelism, with resources created to serve at three levels: for the whole church; for the small group, and for the individual. The resource provides materials for Sunday worship,

study and discussion outlines for small groups and a programme of daily readings and reflections for individual use.

In 2022, the Council continued to support the processes for discerning vocations and training for ordained ministry. It runs the Ministry Experience Scheme (MES), which offers 18–30-year-olds vocational year-long placements in churches, spanning the wide diversity of traditions and geographic contexts that make up the Church of England. MES came through the challenging period of the pandemic well, with 87 participants in 2021 – 2022 and 91 enrolled for the 2022 – 2023 year, across 21 diocesan schemes. The current cohort is 43 per cent female and 27 per cent of participants are from UKME/GMH backgrounds. The Council provided grants of £15.7m for pre-ordination training. Furthermore, it enabled 25 dioceses to fund an increased number of curacy posts through Strategic Ministry Funding and 19 dioceses to enable curates to take up Posts of First Responsibility, ensuring no suitably qualified curate is left without a post.

Meanwhile, work on the *Transforming Effectiveness Simpler Support to Worshipping Communities* project continued

to centre on exploring ways of providing national support to parishes. The project is focused on freeing up our churches, cathedrals, and dioceses for mission by relieving the administrative burden, enhancing existing diocesan functions and activities, and better supporting worshipping communities with services, where possible.

In 2022, this work included a review of Parish Buying, the launch of new church administration software and an investment in parish resources. An external review of Parish Buying completed in 2022 found significant potential for this service to grow and diversify substantially from its main function buying energy on behalf of parishes and other Church organisations. Over the past year it is estimated that 3,500 parishes in the Energy Basket have saved around £5m over the past 18 months compared with parishes procuring energy from one of the main energy providers. An online administration tool, Life Events Diary, aimed at helping churches streamline administration was made available free of charge to all churches in the Church of England – and as a result of feedback from parishes, several additional features are being trialled.

## 4 | New Christian Communities

Objective: Creating 10,000 new Christian communities across the four areas of home, work / education, social and digital.

### **2022 Expenditure: £12.7m (2021: £1.5m)**

**Innovation Funding** is aimed at helping parishes explore new ways of sharing the Christian message, alongside tried and tested approaches. Innovation Funding has supported limited scale projects which will innovate and generate learning about growth which increases the number of new disciples, strengthens discipleship, grows the impact of the Church's social engagement work, or increases and diversifies the number of leaders in the Church. In 2022, £4.5m was awarded in Innovation Funding for 18 projects.

### **Home**

#### **Case study: (Diocese of St Edmundsbury and Ipswich)**

The Council awarded £1.3m to the Diocese of St Edmundsbury and Ipswich in Suffolk to help expand its work in spreading the Christian faith to people with previously no contact with the Church in towns and rural communities. Its strategy to enable cultural transformation for rural mission includes 'Lightwave' Fresh Expressions groups in different contexts – which aim to reach people who have no previous experience of church – and encouraging church plants as the

norm in large towns. The project is hoped to provide a blueprint for mission in rural areas across the country. The grant will help promote Christian communities in Ipswich, Bury St Edmunds, and Felixstowe, and in up to 12 market towns and five rural areas. More than 30 'Lightwave' groups of small, informal church gatherings, working alongside parishes, have already been formed, meeting as youth cafes, toddler groups and even walking groups in rural areas. Since their launch in 2019, the Lightwave groups have attracted more than 300 people to the Christian faith.

### **Social**

In 2022, the Council's national Sport and Wellbeing ministry continued to support the Church of England's mission strategy to be a Church for everyone, seeing a significant growth area in the number of new Christian communities. The eight pilot 'Sports and Wellbeing' Dioceses (Birmingham, Blackburn, Ely, Gloucester, Guildford, London, Norwich, and Rochester) continued to develop sport as a key part of their mission strategy.

#### **Case studies:**

##### **'Sportily' (Gloucester Diocese):**

In 2022, Sportily launched a place-based approach to creating new

worshipping communities with children and young people through sport. The focus was placed on inviting people to participate in a wide range of sports activities and to explore faith with their team of Sport and Faith Leaders. 1,600 have already taken part.

##### **'Healthy Churches Transforming Communities' (Blackburn Diocese):**

126 new local congregations have been planted, with 50 of these being in the 'Muddy Forest Church' style. Ambassadors Football are working with several churches and their Community Football Outreach has been run on two estates where pioneering church plants are growing. There are six churches using sport missionally, with 22 churches engaging with sporting activities.

### **Work / Education**

#### **Growing Faith:**

Plans are afoot for developing up to 450 new worshipping communities in schools and, working with the Lay Ministries Advisory Group, for the work of school chaplains to be supported to be even more effective.



## Digital – Online Worship

“

**We recognise online worship is here to stay, not as a replacement for worshipping in person, but as a way of worshipping and building community in innovative and accessible ways.”**

**–Stephen Cottrell,  
Archbishop of York.**

The first national online service was broadcast from the crypt chapel at Lambeth Palace on Mothering Sunday 2020 as the nation went into lockdown. Since then, a service has been broadcast every Sunday, with additional services broadcast over Easter, Advent, Christmas and after the death of the late Queen Elizabeth II. In 2022, 54 national online services were produced, with an average of 150,000 viewers per service across YouTube and Facebook. The success of the online broadcasts, which have BSL interpretation and subtitling, has highlighted the number of people who were previously excluded from in-person worship.

“

**We now know there is a regular worshipping community online, alongside many others, who meet as a community and pray for each other. It's a bit like an online cathedral - we have a solid core of worshippers and lots of visitors who stream a service occasionally.”**

**–Revd Dr Isabelle Hamley,  
(who oversees the national  
online services).**

## 5 | Missionary Disciples

Objective: All Anglicans envisioned, resourced, and released to live out the five marks of mission in the whole of life, bringing transformation to the Church and world. All local churches, supported by their dioceses, becoming communities and hubs for initial and ongoing formation.

**2022 Expenditure: £7.4m**  
**(2021: £7.8m)**

“

**Jesus's commandment to love your neighbour as yourself is evident in the care and service provided by churches.”**  
**Paul Butler, Bishop of Durham.**

The Archbishops' Council's role in bringing transformation for the common good is evident in both campaigns at a national level and in the thousands of projects run by churches locally.

Supported by Council staff, Church of England bishops addressed a range of issues from refugees to child poverty and the cost-of-living crisis. Our churches also ran or supported thousands of social action projects across the country, from food banks to lunch clubs.

Church of England statistics\* have shown that churches run or support 35,000 social action projects. This includes 8,000 food banks; more than 4,000 parent/carer groups, and more than 5,000 lunch clubs, coffee mornings or similar hospitality for older people. In 2022, thousands of churches additionally supported the Warm Welcome

\* from 2019

campaign, by opening their doors to provide a warm space for people, amid the surging energy bills.

The grant funded Clewer Initiative on Modern Day Slavery, in partnership with Faith and Public Life, has continued to equip parishes and dioceses to identify and support vulnerable people caught up in exploitative situations.

Bishops continued to call for the government to lift the two-child limit on benefits. Meanwhile, the *Making the case for a child poverty strategy* report brought together the views of 14 organisations, including charities and think tanks, as well as church leaders and grassroots groups – on a plan for tackling child poverty.

Bishops in the House of Lords also continued to raise issues relating to refugees and asylum seekers, and General Synod voted to give unanimous backing to a call for the Government to ensure the protection of child survivors of trafficking – after hearing of fears that the Nationality and Borders Bill could leave more children unprotected and at risk.

In 2022, the Council's Faith and Public Affairs unit also created a toolkit of resources for parishes seeking to help refugees and evacuees from Ukraine, in the

wake of the Russian invasion. This material included information and links on how churches can welcome people arriving from Ukraine through giving and longer-term practical support, such as community sponsorship, prayer and advocacy resources – as well as information on safeguarding.

A foundational role of the Archbishops' Council is to support dioceses in enabling a Christian presence in every community. Increasing resource has been invested into extending the understanding of mission as not only the activities and actions organised by Christian communities – but also to equip, encourage and enable Christians, in their everyday life.

The Daily Prayer app is one of a series of prayer and discipleship apps and podcasts available from the Church of England. The short, atmospheric services feature prayers and readings following the pattern set out in the Church of England's Common Worship services.

By the end of 2022, the number of people using the Church of England's Daily Prayer audio service had passed 1.1 million unique listeners – as podcasting continues to become part of many people's

daily pattern of worship at home, with around 8,000 listening every day.

The podcast (also available as audio on the Daily Prayer app) follows the Church of England's traditional cycle of Morning and Evening Prayer, with a range of voices and music. In total there have now been 5.5 million downloads since its launch in March 2020, with 3.5 million of the downloads in 2022 alone (which marks a 67% increase on figures for 2021).

“

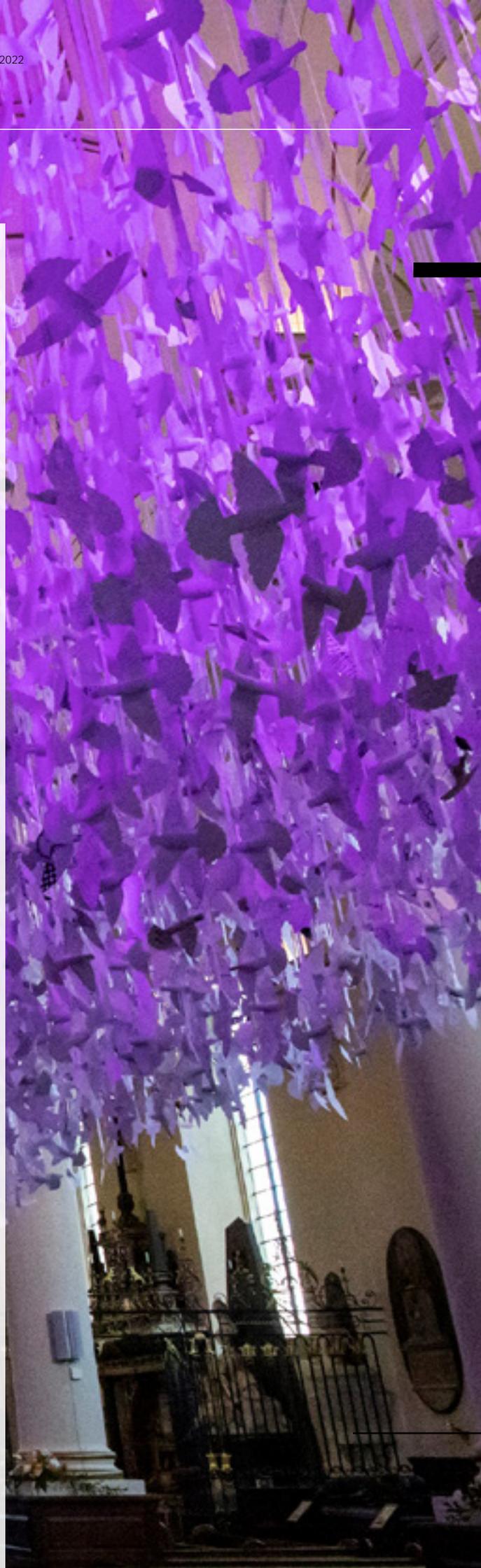
As a self-supporting priest with a secular job involving long and unpredictable hours, I have found the Daily Prayer app invaluable. My work involves a lot of reading and screen time, so I particularly welcomed the introduction of audio to the app. As well as reducing the reading required, it has meant the ability sometimes to listen and join in whilst commuting, and the glorious music and spoken readings have greatly enhanced the prayer experience for me. I am grateful too for how much it helped a much-loved late friend during the later stages of her illness.”

—**Revd Jane Walker.**

The impact of faith on the whole of life has also been a central theme

in resources made available by the Council to dioceses and churches. This included investment in a new digital resource, enabling access to materials to help people find and follow God in their everyday life; engage in community; and be equipped for effective witness. Furthermore, attention continued to be given to sustaining formation in a variety of geographical contexts. In 2022, the following three projects (focused on nurturing everyday faith) were given Strategic Development Funding:

- Blackburn Diocese's Outer Estates Leadership project includes both M: Power, a training hub for urban evangelists, and a ministry experience scheme in Blackpool.
- York Diocese's project includes the Mustard Seed programme for learning communities based in Middlesbrough, Hull, and coastal communities, where lay people can grow in their confidence to share their faith within their local community.
- Leeds Diocese received funding to develop Holy Trinity Boar Lane as a hub for workplace ministry, alongside reaching the working day population. This has begun to see fruitful engagement with several professions and sectors in the city centre.



## 6 | Safety and Dignity

Objective: A Church that affirms the dignity of all people by being a safe place for all, especially children and vulnerable adults.

“

Safeguarding is at the heart of the Church's mission to protect children and vulnerable persons and to enable all people to experience the fulness of life that Jesus came to bring.”

**Jonathan Gibbs,  
Bishop of Rochester.**

**2022 Expenditure: £8.1m (2021: £6.6m). This expenditure includes grant awards of £0.8m (2021: £0.3m) to dioceses in respect of Past Case Review 2 and £0.5m (2021: £0.7m) to survivors under the Interim Support Scheme.**

The Independent Safeguarding Board, which was formed in September 2021, exists to ensure that the Church of England delivers on its safeguarding responsibilities and acts without fear or favour. Its mission is to hold the Church to account, publicly if needs be, for any failings which are preventing good safeguarding practice from happening. It will question, reflect, monitor, and report on the culture on safeguarding across the Church to seek assurance that safeguarding is embedded, and a culture of safeguarding is embraced. The members of the ISB during 2022 were Maggie Atkinson (Chair, who stood back from her duties in August 2022 and, in March 2023, resigned), Jasvinder Sanghera and Steve Reeves who operated as contractors to the Archbishops' Council which voluntarily holds itself open to scrutiny by the ISB. Reports on the ISB's work can be found on its website: [independent-safeguarding.org](https://independent-safeguarding.org).

### **Safeguarding Programme – delivery of IICSA recommendations**

The Safeguarding programme, as part of the ongoing work of the National Safeguarding Team (NST), aims to help successful achievement of the key organisational objectives:

- Prevention and Improvement
- Responding well to victims and survivors of church related abuse
- Ensuring effective safeguarding practice

The projects in the programme are at different delivery stages:

### **National Safeguarding Case Management System (NSCMS) – delivery**

The Archbishops' Council has committed to creating a NSCMS for use by the NST, dioceses and cathedrals. The Safeguarding Company has been successfully appointed as the supplier to deliver their system 'MyConcern' and to date, 13 dioceses and the NST have access to the software and are using it to record all information pertaining to new cases.

### **IICSA Recommendations 1&8 / Regional Model Project – pilot phase**

At the end of 2022 the project entered into an 18-month pilot phase to test out two

models of implementing IICSA Recommendation 1. This concerns the change of the Diocesan Safeguarding Advisor role to a Diocesan Safeguarding Officer role, the work of which is to be professionally supervised and quality assured by the NST. Evaluation of the pilot will lead to a recommendation for the model/s to be rolled out nationally from 2024.

With regard to Recommendation 8, work has taken place during 2022, and continues into 2023, to commission an independent organisation to conduct safeguarding audits of dioceses, cathedrals and palaces.

#### **National Redress Scheme – plan and design**

The Project Board of the [National Redress Scheme](#) (“the Scheme”), which includes two members of the Survivors’ Working Group, provides governance, decision-making, process and guidance for the development of the Scheme. There are sub-groups on specific work-streams, including procurement and communications. Due to the complexity of the scheme, it has taken longer to develop than originally forecasted.

In December 2022, the Risk and Assurance Service of the National Church Institutions completed an internal audit consultancy review of the project planning for the

proposed Redress Scheme. Several advisory recommendations were raised for Management’s attention aimed at enhancing the process. Overall, this audit concluded the project management processes are fit for purpose and fulfilling their objective.

The project team is currently working to develop the full budget and to identify various sources of funding from within the Church along with considering how the elements of non-financial redress will also be taken forward. These include therapeutic, spiritual, and emotional support and a consultation with survivors is planned to help inform the details of this.

#### **Information Sharing**

The information sharing project continues to take forward IICSA recommendations 5 and 6. To satisfy Recommendation 5, an Information Sharing Framework and Information Sharing Agreements (HR and safeguarding) are in place with the Church in Wales. For Recommendation 6 (information sharing agreements between the CofE, Church in Wales and statutory partners), a national Police Data Sharing Agreement was implemented at the end of November 2022.

#### **Past Cases Review 2 (PCR2) – completed.**

In October the National Safeguarding Steering Group published the National Safeguarding Report for PCR2. This report is the result of the independent review of 75,253 files in the 45 church settings. The findings from the diocese reports were analysed to identify cross-cutting issues across dioceses, cathedrals and other church settings.

#### **Safeguarding Learning and Development**

All elements of the [Safeguarding Learning and Development Framework](#) have continued to be delivered during 2022. The Senior Leadership Safeguarding Pathway has been delivered to 149 cohorts across dioceses, cathedrals and TEIs. An evaluation of the pathway soon to be published has concluded that, over 80% of participants thought that the learning outcomes had been fully met or met, with participants indicating that the focus on culture, theology and leadership has supported them to embed safeguarding within their practice in terms of ministry and leadership.

#### **Domestic abuse**

Domestic abuse has been identified (through diocesan audit returns and PCR2) as a major issue for the Church in the same way as it is for all communities. The NST

## 6 | Safety and Dignity | continued

led on the delivery of [“16 days of Activism Against Gender-based violence”](#) towards the end of 2022 in partnership with Mothers' Union and others. A bishop-led working group has now been established to develop recommendations for how the Church bodies can improve their understanding of, and quality of responses to, domestic abuse.

### House of Bishops' Safeguarding Guidance

Having been approved in 2021, [Safer Recruitment and People Management](#) went live across Church bodies in January 2022, with implementation support provided by the NST during the year. [Responding Well to Victims and Survivors of Abuse](#) (setting out requirements for Church bodies in terms of their support offer) went live in April 2022. To support implementation of [Safeguarding Children, Young People and Vulnerable Adults](#), an extensive training programme in respect of spiritual abuse and healthy Christian communities was delivered across the Church.

### Safe Spaces

[Safe Spaces](#) is a free and independent support service for anyone who has experienced abuse in relation to the Church of England, the Church in Wales, or the Catholic Church of England and Wales. It is run by Safe Spaces England and Wales (Safe Spaces): a charitable

jointly controlled entity between the Archbishops' Council and the Catholic Trust for England and Wales. Following a successful two-year pilot, Safe Spaces will continue for the next three years with [a new service provider First Light](#).

### Interim Support Scheme

The Interim Support Scheme (“the Scheme”) is intended to give immediate help and support to survivors whose life circumstances have been significantly affected by the abuse suffered within a Church context, and the response to it and is designed to address immediate and urgent needs that help in the short-term to put the survivor's life back on track. During the year we reviewed the scheme arrangements to ensure they were fit for purpose and continue to work with survivors and advocates to ensure they are supported.

### Learning Lesson Reviews

The National Safeguarding Team published two reviews in 2022 which provided good learning points to improve our safeguarding practice. The reviews into the late John Smyth and Trevor Devamanikkam are ongoing.

### Survivor Engagement

Work moves forward to develop a survivor engagement framework with survivors. A national anonymous survey of survivors closed in October and received 185

responses, including people who indicate they have not engaged with the Church previously. The survey aimed to find out how survivors would like to work with the Church to develop the framework. A report summarising the results is being prepared and will be published on the survivor engagement page of the Church of England website. We continue to work with survivors via various work streams.

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Safeguarding is at the heart of the Church’s mission to protect children and vulnerable persons and to enable all people to experience the fulness of life that Jesus came to bring. The National Safeguarding Team (NST) leads on this vital work for the Church of England, seeking to promote the highest standards in safeguarding across the whole Church. I am deeply grateful to my colleagues in the NST and across our Dioceses and Cathedrals, the Independent Safeguarding Board, as well as to countless clergy and volunteers who do so much to support this work. Recognising that there is still much to be done, I am especially grateful to those victims and survivors who continue to challenge us and help make the Church a safer and healthier place for all.”

**Jonathan Gibbs, Bishop of Rochester,  
(Lead Bishop for Safeguarding).**

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## 7 | Sustainability

Objective: A Church that cherishes God's creation and leads by example in promoting sustainability.

“

Jesus noticed nature and so must we. The Gospels are full of stories of the growth of seeds, the choking of thistles, the beauty of lilies and the fruitfulness of trees. We have the privilege and responsibility to care for the earth and to tread gently on it.”

**Graham Usher,  
Bishop of Norwich.  
(Lead Church of England  
bishop for the environment)**

### **2022 Expenditure: £0.4m (2021: £0.9m)**

As part of the Church's response to the Climate and Nature Emergencies and its wide-ranging approach to meet the 2030 net-zero carbon target set in 2020, in February 2022, General Synod approved new legislation to help churches meet carbon reduction targets. The changes to the faculty jurisdiction rules - the Church's equivalent of planning law – were voted through by an overwhelming majority, and following General Synod approval, the rules came into effect on 1 July 2022, after being laid before Parliament. The changes will make it easier for churches to make adaptations such as insulating pipes, draft-proofing doors and windows, fitting new non fossil fuel boilers, electric pew heaters, electric car charging points and soft furnishings to help worshippers feel warm.

More than 400 Church of England churches are now reporting 'net zero' carbon emissions, which marks an increase of 157 on the previous year,\* whilst all 42 dioceses have signed up to become an "eco diocese" as part of their commitment to reach carbon net zero by 2030. The Energy Footprint Tool was extended in 2022 so it could be used by dioceses to measure cathedrals,

schools, offices, clergy houses and other buildings, giving the fullest picture yet of the Church's carbon emissions.

In July 2022, General Synod discussed and endorsed detailed plans designed to help the Church to reach Net Zero Carbon by 2030 (following the historic Synod vote in 2020).

The *Routemap to Net Zero Carbon by 2030* publication (which was drawn up following a widespread consultation with parishes, dioceses, cathedrals, and the wider Church) sets out detailed guidance, with proposed practical steps to make achieving the net zero target a reality. Highlighting simple steps that every church community can take, the *Routemap* encourages cathedrals, churches, schools, and Theological Education Institutions to make changes to their day-to-day activities to reduce carbon emissions. The *Routemap* is not legislative and does not obligate any part of the Church but forms a pragmatic, step-by-step approach as the basis of the road to Net Zero Carbon by 2030.

**Pictured: (Top):** Solar panels at St John's Church, Waterloo; **(Left):** Church garden at St Cuthbert's Church, Croxteth Park. **Credit for both:** Eduardo Pérez Vidal (Go Wild Films). **(Right):** Pupils sowing Lichfield Cathedral's wildflower meadow.

\* According to the latest data from the national Energy Footprint Tool (EFT).



# The Council's Plans for 2023

## 1 | A Younger Church

**Objective: Doubling the number of children and young active disciples in the Church of England by 2030.**

- A deliberate increase in focus on the inclusion of the voice of young people in the development of our work.
- Increase significantly and target national funding on growth among under represented groups including young people.
- Develop and support 30,000 leaders of mission with young people.
- Support the development of 3,000 churches focused on making active young disciples.

## 2 | A More Diverse Church

**Objective: A Church of England which fully represents the communities we serve in age and diversity, including race, disability, and deprivation.**

- Support the Church in deepening understanding of what it will mean to be a Church which is younger and more diverse.
- Increase significantly and target national funding on growth among underrepresented groups including young people.
- Continue to support the work of the Living in Love and Faith process.

## 3 | Revitalise Parishes

**Objective: A parish system revitalised for mission so churches can reach and serve everyone in their community.**

- Ensure that we have a flow of diverse people who God is calling, ready to learn and in time ready to lead.
- Increase significantly and target national funding on growth among under represented groups including young people.
- Manage supporting programme which advised and frees up resources locally e.g. increases capacity of dioceses, cathedrals, parishes to engage well with workforce planning, change and people / HR issues.

## 4 | New Christian Communities

**Objective: Creating 10,000 new Christian communities across the four areas of home, work / education, social and digital.**

- Discern and develop 10,000 teams to lead diverse new Christian communities.
- Increase significantly and target national funding on growth among under represented groups including young people.
- Develop the strategy in support of digital church communities.



## 5 | Missionary Disciples

**Objective: All Anglicans envisioned, resourced, and released to live out the five marks of mission in the whole of life, bringing transformation to the Church and world. All local churches, supported by their dioceses, becoming communities and hubs for initial and ongoing formation.**

- Continually fan into flame the everyday faith of every disciple, supporting and challenging through personal and church-based frameworks.

## 6 | Safety and Dignity

**Objective: A Church that affirms the dignity of all people by being a safe place for all, especially children and vulnerable adults.**

- Driving a culture of prevention of harm and continuous improvement in respect of safeguarding.
- Responding well to safeguarding concerns and learning from previous failures.
- Ensuring effectiveness in the provision of National Safeguarding.

## 7 | Sustainability

**Objective: A Church that cherishes God's creation and leads by example in promoting sustainability.**

- To ensure that climate justice, creation care and Net Zero Carbon are seen as an intrinsic part of mission, ministry and discipleship.
- To support the delivery of the Routemap milestones and set up the Net Zero Carbon funding programme, to ensure progress towards Net Zero Carbon by the end of 2023.
- To support the growth of Eco Church and the delivery of the 2023 milestones.
- To improve the management of Church land for climate, nature, and people.

# Financial Review

## Overview: use of resources

In 2022 Archbishops' Council expenditure totalled £152.5m, £23.8m higher than the previous year (2021: £128.7m). Net expenditure was £3.2m in 2022 (2021: net income £3.8m) after investment losses of £4.0m (2021: investment gains of £4.5m).

The main reason for the significant increase in expenditure compared with the previous year was the increase in grants awarded, reflecting new grants streams funded by the Church Commissioners. The most significant of these were introduced in response to the cost-of-living crisis, namely the Energy Costs grants and the Ministry Hardship grants.

The greatest proportion of the Council's expenditure in 2022 was in relation to its objectives 'Revitalise Parishes' and 'A More Diverse Church'. These represented 54% (2021: 54%) and 25% (2021: 28%) respectively, of total expenditure.

## Grants and grant making policy

The Council makes grants to dioceses under the following main schemes. Training for Ministry grants were funded mostly from the diocesan apportionment, the remainder being funded by grants from the Church Commissioners:

- Strategic Development Fund (SDF) grants are allocated across each of the first five objectives, according to which objective each project most clearly supports. The Council has delegated decisions on grant awards to its Strategic Investment Board (SIB), the membership of which includes Council members and Church Commissioners. A total of £17.6m was awarded in SDF grants in 2022 (2021: £14.1m)

- Revitalise Parishes grants include:

(i) Strategic Ministry Grants (SMF) help meet the cost of additional curates as part of the aim of increasing the number of new clergy across the Church (£10.4m in 2022, £11.3m in 2021). Grants were awarded to 25 dioceses and met between 50% and 90% of the relevant cost depending on an assessment of the resources of the diocese and whether they receive LInC funding.

(ii) Training for Ministry grants totalled £15.7m in 2022, including £1.9m from the Church Commissioners' Additional Ordinands fund (2021: £16.6m and £1.8m respectively) and funded training, maintenance, and university fees for those undertaking pre-ordination training.

(iii) Strategic Transformation Funding (£11.1m in 2022, £8.9m in 2021) awarded to 17 dioceses to help them to undertake major restructuring programmes in order to better align with their strategic plans and make a significant difference to their mission and financial strength, in turn supporting the Church's sustainable growth.

(iv) Energy Cost grants were a new grant stream for 2022, totalling £15.1m grants to 42 dioceses and 11 Theological Educational Institutions to help meet the increased costs of heating and lighting buildings.

- A More Diverse Church grants include:

(v) Lowest Income Communities (LInC) funding (£28.3m in 2022, £27.4m in 2021) which are supplemented by time-limited transitional grants to smooth the transition to the grant funding arrangements introduced in 2017. In 2022, 28 dioceses received LInC grants, 12 of which were £1m or above (2021: 28 dioceses, 11 of which were £1m or above).

Further details of the Strategic Development Funding and Strategic Transformation Funding grants made to dioceses by the Council from Church Commissioners funds will be published in the Strategic Investment Board's annual report which will be made available as a General Synod paper in July 2023. 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 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 2022, unrestricted legacies income was £910,000 (2021: £22,000).

### **Fundraising**

Section 162a 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 is presented in the financial statements as 'voluntary income' and include 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 impact of the post-pandemic environment and ongoing geopolitical and economic uncertainty on its key income streams and activities. The Council has evaluated the nature and resilience 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 taken note of the Statement of Funding Principles, which was revised during the year, in which the Church Commissioners agree that once a grant has been awarded by the Council (either directly or through one of its committees with delegated authority), provided that all conditions and milestones are met, they will provide the funding to meet future drawdowns of the grant. The Council 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.

### 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. The Council aims 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' expenditure. The 2022 reserves policy range and the end 2022 balance on each reserve is set out in the table below. Four of the five reserves were within the target range at the year end. However, the Vote 4 reserve exceeded the maximum of the target range: this will be taken into account when future budgets are set to aim to bring the reserve towards its range over a period.

Reserve	Reserves policy range (£000s)	Year-end level (£000s)
Training for ministry (Vote 1)	1,402-4,205	2,717
Operating budget (Vote 2)	2,346-7,038	2,365
Grants (Vote 3)	104-312	238
Mission agency pension contributions (Vote 4)	56-167	434
Clergy retirement housing grant (Vote 5)	464-1,392	821 (including 411 in a designated fund)

At the end of 2022 unrestricted general fund reserves (i.e., excluding designated funds and the pension reserve) were £2.4m (end 2021: £2.5m). The Council is content with the current level of reserves and will bear actual and forecast levels in mind when setting its budgets for future years.

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 several years. This resulted in pension reserve liability at the end of 2022 of £0.6m (end 2021: £1.1m) which will be met from future years' income as the agreed deficit contributions are paid. As a result, total unrestricted funds (including designated funds of £7.1m (2021: £6.7m)) were £8.8m at the end of 2022 (end 2021: £8.1m). 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 year, 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 restricted funds 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 aggregate total return from its long-term investments (with a time horizon of at least five years) was -9.5% in 2022 (2021: 12.7%) compared with the long-term target of 13.2% (2021: 8.8%). This was impacted by the weak performance of global equity markets with the FTSE All World index showing a return of -7.5%. Over the past

five years the return averaged 4.5% p.a. compared with the long-term target of 7.5% (CPI+4% per annum).

The Council has set impact and financial goals for its social impact investment programme aiming to achieve measurable positive social and environmental impact and preservation of the capital over the long term after all costs.

The Council's Investment Committee reviews and oversees the management of the Council's restricted fund investments including the social impact investment programme. During the year the Council made a £2.0m commitment to Social and Sustainable Capital's Social and Sustainable Housing Fund II which aims to help social sector organisations purchase properties to provide homes and support for vulnerable people. It also agreed a £1.1m investment in Charity Bank, taking a 3.6% equity stake in the bank which uses savers' money to provide much needed loans to UK charities and social enterprises working to drive positive change – bringing benefits for people, communities, and the environment.

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 2022 was 1.4% (2021: 0%).

The Council also acts as custodian trustee for several funds. At the end of 2022 the assets of these funds, which are held in investments and cash separately from those of the Council, were valued at £3.4m (end 2021: £3.8m).

### **Ethical investment**

The Council participates in the work of the Church of England'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 12,000 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 12,000 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. The Council continues to monitor its processes and effectiveness, using good practice in governance as a benchmark to ensure that it operates in an effective manner. 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 open 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 2022 the Council met five times. Three in person meetings with the option for members to participate virtually, were held. The remaining meetings were held using remote technology. The Council also held a joint meeting with the Church Commissioners to discuss objectives to support the Vision and Strategy and the work preparing spending plans for 2023-25 and beyond. Membership of the Archbishops' Council from 1 January 2022 and up to the date of this report is detailed overleaf.

## Committees of the Archbishops' Council

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

- \*Audit Committee of the Archbishops' Council (chair: Maureen Cole)
- \*Finance Committee (chair: Canon Dr John Spence)
- \*Ministry Council (chair: the Rt Revd Martin Seeley (to May 2022), Rt Revd Mark Tanner (from May 2022))
- \*Mission and Public Affairs Council (chair: Canon Mark Sheard)
- Committee for Ministry of and among Deaf and Disabled People (chair: the Rt Revd Richard Atkinson)
- Committee for Minority Ethnic Anglican Concerns (chair: The Very Revd Rogers Govender)
- Council for Christian Unity  
(chair: the Rt Revd Martin Warner (to Warner (to March 2022), Rt Revd Jonathan Baker (from March 2022))
- Legislative Reform Committee (chair: Revd Canon Simon Butler)
- Remuneration and Conditions of Service Committee (chair: Rt Revd Richard Jackson)
- Strategic Investment Board (chair: Canon Dr John Spence (to February 2023))
- Strategic Ministry Board (chair: Rt Revd Martyn Seeley (to May 2022); Rt Revd Mark Tanner (from May 2022 to February 2023))
- Strategic Mission and Ministry Investment Board (chair: Canon Dr John Spence (from January 2023))

\*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, and the National Society. 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.

**Safe Spaces England and Wales** Safe Spaces England and Wales (Safe Spaces) is a charitable jointly controlled entity between the Archbishops' Council and the Catholic Trust for England and Wales (CaTEW). The Council has the right to appoint two directors. The purpose of Safe Spaces is to provide support for those affected by church related abuse (of any kind), in the form of a helpline, a website providing information and advice to survivors and their families, and up to 10 community-based survivor led therapeutic support groups, both faith-based and secular.

**Governance Review** The National Church Governance Project Board (Project Board) was established in January 2022 to further the work of the Governance Review Group. The Project Board is tasked with developing proposals to simplify the governance and structure of the National Church Institutions and oversee the preparation and passage of legislation to provide a legal basis for those elements of reform requiring statutory change. The most significant proposal is to transfer the work of the Archbishops' Council, Church of England Central Services, and most of the functions of the Church Commissioners into a single integrated trustee body. It is proposed that the Church Commissioners should retain their current investment functions. An update on the Project Board's work, GS2290, was presented to General Synod in February 2023, but due to lack of Synodical time, the debate in relation to the work was adjourned until July 2023.

#### **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 2022 and up to the date of this report was as follows:

### Joint Presidents

The Most Revd and Rt Hon Justin Welby, Archbishop of Canterbury	(4/5)
The Most Revd and Rt Hon Stephen Cottrell, Archbishop of York (from July 2020)	(5/5)

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

Ven Luke Miller (Canterbury)	(5/5)
Revd Canon Kate Wharton (York)	(5/5)

### Officers of the House of Laity (ex officio)

Alison Coulter (Vice-Chair, House of Laity: from January 2022)	(5/5)
Canon Dr James Harrison (Chair, House of Laity)	(5/5)
Canon Elizabeth Paver (Vice-Chair, House of Laity: to January 2022)	(1/1)

### Elected by the House of Bishops

Rt Revd Paul Butler	(5/5)
Rt Revd Martin Seeley (to May 2022)	(2/3)
Rt Revd Mark Tanner (from May 2022)	(3/3)

### Elected by the House of Clergy

Revd Dr Ian Paul	(4/5)
Revd Canon Tim Goode	(5/5)

### Elected by the House of Laity

James Cary	(5/5)
Dr Rachel Jepson	(5/5)

### Appointed by the Archbishops with the approval of the General Synod

Maureen Cole	(5/5)
Revd Charlotte Cook	(5/5)
Joseph Diwakar	(5/5)
Matthew Frost	(4/5)
Canon Dr John Spence	(5/5)
Canon Mark Sheard	(4/5)

### A Church Estates Commissioner

Alan Smith, First Church Estates Commissioner	(4/5)
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(The figures in brackets indicate (i) the number of meetings each member attended in 2022 (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  
 Mark Arena, Director of Communications  
 Revd Canon Dr Malcolm Brown, Director of Faith and Public Life  
 Becky Clark, Director of Churches and Cathedrals (to July 2022) and Acting Director of Central Secretariat (from March to July 2022)  
 Debbie Clinton, Co-Director of Vision and Strategy  
 Simon Gallagher, Director of Central Secretariat (from October 2022)  
 Rt Revd Chris Goldsmith, Director of Ministry Development  
 Revd Guy Hewitt, Director of Racial Justice (from November 2022)  
 Christine Hewitt-Dyer, Director of People  
 Revd Nigel Genders, Chief Education Officer  
 Alexander Kubeyinje, Director of Safeguarding (from September 2022)  
 Revd Alexander McGregor, Head of the Legal Office and Chief Legal Advisor  
 Revd Canon David Male, Co-Director of Vision and Strategy  
 Zena Marshall, Interim Director of Safeguarding (to September 2022)  
 Dr Jacqui Phillips, Clerk to the Synod and Director of Central Secretariat (to April 2022)  
 Rosie Slater-Carr, Chief Operating Officer, Church of England Central Services  
 David White, Deputy Director of Finance

## Senior staff of Shared Services managed by other NCIs

Stephanie Harrison, Director of Risk Assurance (to April 2022), Governance Project Director (from April 2022)  
 Muir Laurie, Director of Risk and Assurance (from May 2022)  
 Joanna Woolcock, Director of Finance

## 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
Auditor:	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

# People and Organisation

During 2022 we have worked hard to align our staff resources to key priority areas underpinning the Church's priorities, building further collaboration between our teams across the NCIs and out to our partners across the country in parishes, dioceses, and cathedrals. Our leaders, managers, and all our people have continued to work hard to build an affirming, high performing culture, through work on our NCI values, our leadership support offer, our rhythm of communication, our training offer, and a continued focus on wellbeing.

## A place where everyone feels they belong

Our second Belonging and Inclusion action plan was launched in the summer following extensive consultation with staff, rigorous evaluation of our first programme, plus our learning from the Covid-19 period. The new plan outlines the actions we are taking to become a workforce which represents the diversity of the communities we serve at all levels and enable everyone in the NCIs to feel valued in their roles and be supported to develop and flourish. We believe that a good balance of diversity in its broadest sense will result in better problem-solving, decision making, governance and creativity; and that it creates a virtuous circle of attracting and retaining the most talented people from all walks of life.

As part of our 'Mentoring and Learning' action theme refreshed inclusion training is being rolled out to all staff, line managers, and senior leaders. 55 people took part

in our third round of mentoring. Our Coffee Connect initiative helps new staff – of whom there are many – and longer standing staff to develop professional and personal relationships across the NCIs with a particular emphasis on helping younger people and new colleagues. Over 90 people participated in events in 2022, with the programme set to continue into 2023 with a new 'speed dating' format.

"Coffee Connect has helped me to get to know colleagues in parts of the NCIs that I wouldn't normally have any contact with, and to understand what they do. As someone who works away from Church House, Westminster, it really helps me to feel much more connected to the NCIs and build relationships for the future."

**Participant, National Safeguarding Team**

Our staff-led support networks continued to grow and engage people across the NCIs – both online and in-person. Networks and trade unions were also consulted on various policies and communications affected all staff. As part of our Celebration and Stories theme, a regular programme of webinars and events, personal stories and reflections, blogs, podcasts, and interviews – linked to national and international initiatives – ran throughout the year enabling colleagues to share their perspectives and experiences.

We celebrated International Women's Day, LGBT+ History

Month, Black History Month, and South Asian Heritage Month. We marked Stephen Lawrence Day and Windrush Day, Race Equality Week, Mental Health Awareness Week, International Day of Persons with Disabilities, Baby Loss Awareness Week, and World Menopause Day.

Safe discussion sessions were hosted by HR to coincide with key announcements about the Church's Living in Love and Faith project, providing a place to talk about how our people were feeling about the Church's position on issues of human identity, sexuality, relationships, and marriage.

In 2022 we revised our Dignity at Work and Whistleblowing policies and introduced a new NCI safeguarding policy. We also produced a detailed diversity data report which included a focus on our gender and ethnicity pay gaps.

We have recently appointed a Diversity and Inclusion Advisor who provides additional capacity to manage triennium-funded projects which will help us go further to meet recommendations from *Lament to Action*. For example, improving the way in which we collect HR diversity data, completing an end-to-end review of our recruitment processes, and establishing a targeted programme that offers career development opportunities to UKME and disabled colleagues.

## Learning and wellbeing

We are focusing attention on strengthening both management and leadership capability and have now piloted and launched a

Confident Manager development programme. This includes modules based around our management framework including building a high performing team, coaching, managing a hybrid team, and leading change. We are currently piloting our Confident Leadership programme in partnership with Windsor Leadership. NCI 'basics' for all staff, including safeguarding, project management, and IT skills. We continue to offer the Difference Course to our senior leaders and are currently training our sixth cohort. This year we have also raised awareness of key issues such as whistleblowing and fraud and hosted a number of training webinars on topics such as good performance management and wellbeing.

### **Employee engagement**

Our latest in-depth employee engagement survey in October was the largest survey of staff opinion carried out by the NCIs (545 responses). Our engagement score – five questions measuring motivation, advocacy, and commitment – came in at a high 80% favourability (the percentage of people who chose 'strongly agree' or 'agree'), on par with our previous survey in March 2021.

Overall, the NCIs compare favourably to the benchmark for the UK not-for-profit sector for questions about engagement, purpose, values, an individual's role, teamwork, inclusion, senior leaders, line managers, wellbeing and partnership working.

Teamwork and collaboration, trust

in and support for one another, and the positive impact of line managers continue to be highly valued and our highest scoring themes. Teams have adapted well to hybrid working, and on an individual basis people understand how their work supports the Church of England. Partnership working across the NCIs remains an area of focus as part of the transforming effectiveness programme. Whilst scores for questions about inclusion improved overall, this theme is lower than the not-for-profit benchmark.

Our 2023 engagement action plan will set out where we will focus our efforts to build on the positive results from the survey and address those areas where there is room for improvement at an organisational and team level. The Archbishops' Council senior leadership team has studied the local results closely.

### **Hybrid working**

The adoption of hybrid working post pandemic has enabled more roles to be offered on a national basis (i.e., not required to be in London). This has enabled a near 50% reduction in office space leased by the NCIs at Church House, Westminster, targeting savings of around £1m per annum in accommodation costs. This also released space for The Corporation of Church House to let to other tenants, bringing in income to support its charitable donations to Archbishops' Council, further benefitting the whole Church economy. Recent staff survey responses (see above) demonstrate the positive impact of hybrid working with 84% of respondents

reporting their teams have effectively adapted.

### **Transforming our effectiveness**

New team structures and roles were established for Vision and Strategy, Ministry Development, Education and Growing Faith, and Faith and Public Life teams within the Archbishops' Council in 2022 – part of the Emerging Church of England programme to create 'Simpler NCIs' by bringing together and better connecting people and teams to support the Vision and strategic priorities of the Church of England. Other changes included a new Office of the Archbishops to enable better co-ordination and sharing of resources between Lambeth Palace and Bishopthorpe Palace, and the establishment of a new Data Services function, formed by merging existing teams, to manage Church of England information in an efficient and effective way.

Preparatory work ahead of moving the payroll for Clergy and the NCIs to the new People System continued throughout the year. This project is part of a bigger piece of work to establish a common approach to how the Church of England holds, and enables access to, people data for stipendiary clergy, other ministers, and staff of the NCIs.

### **External advisory service – supporting the wider Church**

The Human Resources (HR) team has continued their service and partnership provision to dioceses,

# People and Organisation | continued

cathedrals, senior clergy and diocesan HR colleagues. This includes a rolling programme of professional development for Archdeacons on people management themes, open communication channels, peer support and professional development within the HR network and an HR consultancy offer that covers both employment and clergy matters. Eighty per cent of new Archdeacons have attended at least one of the HR learning sessions and the team has worked in partnership with over a third of dioceses to deliver specific HR projects. We have also continued the Clergy Transition Service that supports clergy to find new posts within the Church and which has assisted some 300 individuals since its creation.

## Contributing to the Church's goal of Net Carbon Zero

Church House Westminster has been awarded an Eco Church Bronze Award for steps taken to help achieve net zero carbon. Staff working for the NCIs at Church House played their part in securing the award for the building which is owned and managed by the Corporation of Church House, with environmental themes forming part of the regular pattern of prayer and worship, and eco-news updates included in staff newsletters and webinars.

## Summary of our people

At the end of 2022, a total of 192 staff had the Archbishops' Council as their managing employer or

were funded directly by it. This represented 28% of the overall staff at the NCIs. As with many employers we have seen significant recruitment activity coming out of the pandemic, as turnover rose and our restructuring took place. The Archbishops' Council has made a number of key senior appointments during 2022 including new Directors for Racial Justice, Safeguarding and the Central Secretariat.

The Archbishops' Council is a joint employer with the other NCIs. It receives services from Church of England Central Services, which is also a joint employer.

The NCIs ended 2022 with 679 employed staff, an increase of 11% in the headcount compared to 2021. This includes 18 additional staff in the education team due to the expansion of leadership training provision through government contracts and 15 additional staff in the safeguarding team as well as the impact of a lower vacancy rate following the conclusion of the Transforming Effectiveness programme during which there had been a recruitment freeze in place.

Overall, 189 staff joined the NCIs in 2022. Overall turnover in 2022 was 19% - in line with pre-pandemic levels (also 19%), compared to 16% in 2021.

Across the NCIs, the ratio of female to male employees increased from 56% and 44% respectively in 2021, to 58% and 42% respectively in 2022. The percentage of women in senior positions fell by one percentage point to 41% in 2022. The percentage of people who

classified themselves as black or minority ethnic within the Archbishops' Council was 14.9% (2021: 8.5%) compared with overall representation of 18.3% (2021: 15.6%) across the NCIs.

The percentage of people who classed themselves as having a disability within the Archbishops' Council was 5.5% compared with 3.5% for the NCIs overall.

## 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.

In response to the cost-of-living crisis, and following discussions with trustees, we carried out a 'deep dive' into our approach to pay and reward alongside in-depth research into how other organisations were responding. The outcome of this work was the development of some broad reward principles based on our NCI Values of excellence, respect, integrity, compassion, and collaboration. This project led to a move to a single national pay scale, irrespective of work location; a pay award weighted towards our

lower paid colleagues; a one-off scheme to allow our people to sell some of their accrued leave and the simplification of our pay scales. Some of these changes will help us address our gender pay gap. The annual pay negotiations were brought forward to enable the pay award to be applied earlier than usual – with effect from 1 October 2022.

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. The amount paid to the highest member of staff in the Council is 7:1 (2021: 7:1) times the salary earned by the lowest paid member of staff and 2:1 (2021: 2:1) times the median salary.

### **Staff pensions**

The staff of the Archbishops' Council are either members of the Church Administrators Pension Fund defined benefit section (if employed before July 2006), or a separate defined contribution arrangement if employed subsequently. Employer contribution

rates for the defined contribution scheme range from 8% to 18% depending on age and additional voluntary contributions made. As part of the pay project, we agreed to encourage new staff to take advantage of our matched additional voluntary contributions scheme and to offer further ethical pension scheme choices in 2023.

# Risk Management

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

## Principal Risks and Uncertainties

The Archbishops' Council's risk management process supports management to facilitate the identification and assessment of significant risks to the achievement of objectives. The support provided can assist the Archbishops' Council to efficiently and effectively utilise resources, identify threats and dangers early and enable communication between staff and management. The NCIs' risk management policies along with the risk management process outline the main roles and responsibilities of directors, trustees, management, and staff.

All identified risks have an allocated risk owner who is responsible for ensuring the scoring is reflective of the prevailing risk environment. The scoring is reviewed by applying the methodology created by the Charity Commission. The Risk and Assurance Service helps to facilitate and monitor the risk management process.

The strategic risk register and risk management arrangements are reviewed by the Archbishops' Council's Board on an annual basis. Reviews of the relevant risk registers with the risk owners are aided by the Risk and Assurance

Service. This ensures an accurate reflection of the existing risks and offers ongoing assurance over the adequacy of current risk management arrangements. These processes are independently reviewed via internal audit processes and reported to the Audit & Risk Committees of the NCIs, as the Archbishops' Council continues to implement the Vision and Strategy of the Church of England.

2022 has provided a different set of challenges in a post Covid-19 world. The Ukraine conflict has created a considerable ripple effect worldwide across a number of areas that have significantly impacted society in general. These instabilities have been compounded by the economic and political volatility in the UK. There are growing concerns about the increasing Cyber security threats that are faced by organisations within the charity sector.

The Board has agreed that the principal risks below represent the main obstacles to the achievement of the key objectives of the Archbishops' Council. The issues identified are subject to ongoing mitigation and management action to reduce the residual risk to a tolerable level.

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

Principal Risk Area	Key Management Actions and Plans
<p><b>Safeguarding</b></p> <p>Failure to deliver core safeguarding projects and to properly embed safeguarding policies and practice across the Church.</p>	<ul style="list-style-type: none"> <li>• National Safeguarding Team (NST) Programme Board established in June 2021 to monitor progress against projects to deliver a range of safeguarding initiatives including, the IICSA recommendations, Past Case Reviews, and the delivery of a national casework management system.</li> <li>• Interim Support Scheme put in place to help Survivors in urgent and immediate need.</li> <li>• Establishment of an Independent Safeguarding Board in September 2021.</li> <li>• New Director of National Safeguarding Team recruited.</li> <li>• Development of policies, training, quality assurance and culture change to improve national, diocesan, and local safeguarding capability.</li> <li>• Piloting of a new Case Management System.</li> </ul>
<p><b>Ministry</b></p> <p>Inability to balance the supply and demand for both clergy and lay ministers, whilst working with Dioceses to provide both the quality and diversity of ministers to support the delivery of mission aim.</p>	<ul style="list-style-type: none"> <li>• Covenant for Clergy Care and Wellbeing adopted by General Synod.</li> <li>• Continuing close working with dioceses in relation to resource and financial planning, to ensure sufficient posts for stipendiary curates.</li> <li>• Development of proposals and plans on lay leadership.</li> <li>• Implementation of family friendly policies.</li> <li>• Maintain effective and accessible BAME mentor network capacity.</li> <li>• Finalise &amp; implement Resourcing Ministerial Formation proposals.</li> <li>• Clergy Remuneration Review project completed and Ministry Hardship Funding distributed 2022.</li> </ul>
<p><b>Younger and More Diverse</b></p> <p>Failure to grow worshipping communities that are younger and more diverse.</p>	<ul style="list-style-type: none"> <li>• Establishment of Growing Faith Foundation in 2022 which aims to deliver a 15% increase in children and young people who are active disciples in the Church of England.</li> <li>• Commission on Racial Justice released its first biannual report. Reporting on the progress of the recommendations from the Lament to Action report.</li> <li>• Establishment of Racial Justice Unit.</li> <li>• Development of key partnership with Youthscape.</li> <li>• Plans to support dioceses in their work to foster established and new churches reaching a significant number of active young disciples.</li> </ul>

# Risk Management | continued

Principal Risk Area	Key Management Actions and Plans
<p><b>Governance</b></p> <p>Complexity of the existing governance structure inhibits the achievement of Archbishops' Council priorities and impacts upon its ability to deliver change at pace.</p>	<ul style="list-style-type: none"> <li>• Board Effectiveness Review of Archbishops' Council is still ongoing.</li> <li>• Establishment of Governance Review Group and issuance of subsequent report and recommendations in September 2021. The main recommendation of the Governance Review Group is to reduce the number of the national governance entities by merging the oversight of most of the Church's national activities into a single body. The recommendations have been endorsed by Archbishops' Council and Church Commissioners.</li> </ul>
<p><b>Reputation</b></p> <p>Reputational impact around contentious and divisive issues.</p>	<ul style="list-style-type: none"> <li>• Consolidation of a number of functions to create a more connected approach to interacting with and responding to key stakeholders across policy and government relations, faith relations and externally funded social projects.</li> <li>• Dedicated Communications Team and Communications Strategy.</li> </ul>
<p><b>People</b></p> <p>Inability to attract/recruit and/or retain high quality staff with the requisite skills.</p>	<ul style="list-style-type: none"> <li>• NCI Staff Engagement Survey completed in November 2022. Action plan is closely monitored by Chief Officers of the NCIs.</li> <li>• Inclusion &amp; Belonging Strategy developed and 24-month action plan well underway.</li> <li>• Continued focus on staff well-being with Employee Assistance Programme.</li> <li>• Completion of Simpler NCIs consultation process has led to the implementation of new structures.</li> </ul>
<p><b>Financial Pressures</b></p> <p>Increased financial pressure on the Archbishops' Council as a result of increased demand for support.</p>	<ul style="list-style-type: none"> <li>• Continued engagement with dioceses and other Church bodies to understand their financial health and ongoing financial challenges post pandemic.</li> <li>• Budget setting and monitoring, to control expenditure and target resources.</li> <li>• National Giving Strategy 2020-25, with further resources being developed to support clergy and laity with digital giving.</li> <li>• Triennium Funding Working Group finalised the recommendations on funding levels for the next triennium (2023-2025) which were agreed by the Archbishops' Council and Church Commissioners.</li> <li>• Energy Costs Grant agreed to provide one off support towards increased energy costs.</li> </ul>

Principal Risk Area	Key Management Actions and Plans
<p><b>Organisational Change</b> Competing demands for staff time coupled with the volume of change initiatives, result in the failure to deliver major change programmes, as well as impeding the delivery of significant business as usual strands of work.</p>	<ul style="list-style-type: none"> <li>• Emerging Church Steering Group established to monitor programme and progress made towards key milestones.</li> <li>• Dedicated project resource sourced where necessary.</li> <li>• Pan NCI Project Review Board established to ensure projects are appropriately prioritised and individual projects are delivered to time, quality and budget.</li> <li>• Emerging Church of England work ongoing with a key focus being on delivering simpler governance structures and transforming our national operating model.</li> </ul>
<p><b>Vision and Strategy</b> Inability to deliver upon the goals of the Vision and Strategy, as strategic initiatives do not achieve the desired growth trajectory.</p>	<ul style="list-style-type: none"> <li>• Established Vision &amp; Strategy Team</li> <li>• Funding allocation criteria have been aligned to the principles of the Vision and Strategy for the 2023-25 triennium.</li> <li>• Close working with Bishops and Diocesan Secretaries. Recruitment of a Network of Champion Bishops to support the delivery of the Vision and Strategy.</li> <li>• Emerging Church of England work ongoing, which includes Transforming Effectiveness Streams which will look to reduce costs and simplify processes across the NCIs.</li> </ul>
<p><b>Spiritual Renewal</b> Failure to be a Church that is centred upon Jesus Christ.</p>	<ul style="list-style-type: none"> <li>• Ongoing recruitment of Missionary Disciples to Diocese</li> <li>• Network of Champion Bishops established</li> <li>• Objectives and Business Plans developed to deliver the vision &amp; strategy of being a Church for all people.</li> </ul>
<p><b>Technology and Business Resilience</b> Inadequate IT and Information Governance and or failure of mission critical IT systems.</p>	<ul style="list-style-type: none"> <li>• A 'Zero trust' continuous authentication and monitoring network implemented.</li> <li>• Critical technology infrastructure housed in a remote location.</li> <li>• Business Continuity Plan in place for the NCIs, including IT Disaster Recovery.</li> <li>• Hybrid working successfully implemented.</li> <li>• Regular independent penetration &amp; phishing testing.</li> <li>• IT Security Awareness training provided to all staff.</li> <li>• Cyber Essentials Plus accreditation secured and key control measures are monitored on an ongoing basis by management.</li> </ul>

# 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.

Approved by the Trustees on 10 May 2023 and signed on its behalf by:

**The Most Reverend and Rt Hon  
Stephen Cottrell,  
Archbishop of York.**



# Independent Auditor's Report

## to the Trustees of the Archbishops' Council

### Opinion on the financial statements

We have audited the financial statements of the Archbishops' Council ('the charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 2022 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the charity; 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 determine 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 151 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on

the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were taxation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations,

or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

### **Crowe U.K. LLP**

Statutory Auditor  
London  
United Kingdom  
Date: 17 May 2023

Crowe U.K. 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.



# STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2022

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022 £'000	Total 2021** £'000
<b>Income from:</b>						
Grants, donations and legacies	2	17,550	133,238	-	150,788	125,593
Charitable activities	3	2,172	40	83	2,295	2,399
Investment income	4	12	43	94	149	102
<b>Total income</b>		<b>19,734</b>	<b>133,321</b>	<b>177</b>	<b>153,232</b>	<b>128,094</b>
<b>Expenditure on:</b>						
Charitable activities	5	(20,577)	(131,062)	(847)	(152,486)	(128,742)
<b>Total expenditure</b>		<b>(20,577)</b>	<b>(131,062)</b>	<b>(847)</b>	<b>(152,486)</b>	<b>(128,742)</b>
<b>Total income less expenditure before gains on investments</b>						
		<b>(843)</b>	<b>2,259</b>	<b>(670)</b>	<b>746</b>	<b>(648)</b>
<b>Losses on investments</b>	10	(167)	(37)	(3,752)	(3,956)	4,464
<b>Net (expenditure) / income</b>		<b>(1,010)</b>	<b>2,222</b>	<b>(4,422)</b>	<b>(3,210)</b>	<b>3,816</b>
Transfers between funds	15	1,781	474	(2,255)	-	-
<b>Net movement in funds</b>		<b>771</b>	<b>2,696</b>	<b>(6,677)</b>	<b>(3,210)</b>	<b>3,816</b>
<b>Total funds at 1 January</b>	15	<b>8,072</b>	<b>7,058</b>	<b>38,416</b>	<b>53,546</b>	<b>49,730</b>
<b>Total funds at 31 December</b>	15	<b>8,843</b>	<b>9,754</b>	<b>31,739</b>	<b>50,336</b>	<b>53,546</b>

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

The notes on pages 60 to 84 form part of these financial statements.

\*\* 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 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>Total 2021 £'000</b>
<b>Income from:</b>					
Grants, donations and legacies	2	11,783	113,097	713	<b>125,593</b>
Charitable activities	3	2,398	1	-	<b>2,399</b>
Investment income	4	-	3	99	<b>102</b>
<b>Total income</b>		<b>14,181</b>	<b>113,101</b>	<b>812</b>	<b>128,094</b>
<b>Expenditure on:</b>					
Charitable activities	5	(15,360)	(113,266)	(116)	<b>(128,742)</b>
<b>Total expenditure</b>		<b>(15,360)</b>	<b>(113,266)</b>	<b>(116)</b>	<b>(128,742)</b>
<b>Total income less expenditure before gains on investments</b>					
		<b>(1,179)</b>	<b>(165)</b>	<b>696</b>	<b>(648)</b>
<b>Gains on investments</b>	10	198	30	4,236	<b>4,464</b>
<b>Net (expenditure) / income</b>		<b>(981)</b>	<b>(135)</b>	<b>4,932</b>	<b>3,816</b>
Transfers between funds	15	2,201	-	(2,201)	-
<b>Net movement in funds</b>		<b>1,220</b>	<b>(135)</b>	<b>2,731</b>	<b>3,816</b>
<b>Total funds at 1 January</b>	15	6,852	7,193	35,685	<b>49,730</b>
<b>Total funds at 31 December</b>	15	<b>8,072</b>	<b>7,058</b>	<b>38,416</b>	<b>53,546</b>

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

The notes on pages 60 to 84 form part of these financial statements.

# BALANCE SHEET

As at 31 December 2022

	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Investments	10	32,490	40,496
Programme related investments	11	5,480	3,699
Intangible fixed assets	12	787	213
<b>Total fixed assets</b>		<b>38,757</b>	<b>44,408</b>
<b>Current assets</b>			
Debtors: amounts due within one year	13	66,173	44,105
Cash equivalents		4,192	4,192
Cash at bank and in hand		5,478	5,884
<b>Total current assets</b>		<b>75,843</b>	<b>54,181</b>
<b>Non-current assets</b>			
Debtors: amounts due after one year	13	85,833	96,246
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(63,644)	(43,901)
<b>Net current assets</b>		<b>12,199</b>	<b>10,280</b>
<b>Total assets less current liabilities</b>		<b>136,789</b>	<b>150,934</b>
<b>Non-current liabilities</b>			
Creditors: amounts falling due after one year	14	(85,833)	(96,246)
<b>Net assets excluding pension deficit recovery liability</b>		<b>50,956</b>	<b>54,688</b>
Defined benefit pension scheme liability	16	(620)	(1,142)
<b>Total net assets</b>		<b>50,336</b>	<b>53,546</b>
<b>Funds of the charity</b>			
Unrestricted funds:			
General fund	15	2,365	2,532
Designated funds	15	7,098	6,682
Pension deficit reserve	15	(620)	(1,142)
<b>Total unrestricted funds</b>		<b>8,843</b>	<b>8,072</b>
Restricted funds	15	9,754	7,058
Endowment funds	15	31,739	38,416
<b>Total funds of the charity</b>		<b>50,336</b>	<b>53,546</b>

The financial statements were approved by The Archbishops' Council on 10 May 2023 and signed on its behalf by:

**The Most Reverend and Rt Hon Stephen Cottrell, Archbishop of York**

**Chair of the Finance Committee, John Spence**

The notes on pages 60 to 84 form part of these financial statements.

# CASH FLOW STATEMENT

For the year ended 31 December 2022

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b><i>Cash flow from operating activities:</i></b>		
<b>Net income for the year (as per the statement of financial activities)</b>	(3,210)	3,816
Gains on investments	3,956	(4,464)
Investment income	(149)	(102)
Increase in debtors	(11,655)	(7,112)
Increase in creditors	9,330	133
Decrease in pension liability	(522)	(617)
<b>Net cash flow (used in) operating activities</b>	<b>(2,250)</b>	<b>(8,347)</b>
<b><i>Cash flows from investing activities</i></b>		
Investment income	149	102
Purchase of fixed asset investments	(1,781)	(834)
Sale of fixed asset investments	4,050	-
Purchase of intangible fixed asset	(574)	(213)
<b>Net cash flow provided by / (used in) investing activities</b>	<b>1,844</b>	<b>(945)</b>
<b>Change in cash and cash equivalents in the year</b>	(406)	9,292
Cash and cash equivalents at the start of the year	10,076	19,368
<b>Cash and cash equivalents at the end of the year</b>	<b>9,670</b>	<b>10,076</b>
<b><i>Analysis of cash and cash equivalents and net debt</i></b>		
Cash equivalents	4,192	4,192
Cash at bank and in hand	5,478	5,884
<b>Total cash and cash equivalents and net debt</b>	<b>9,670</b>	<b>10,076</b>

The notes on pages 60 to 84 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## 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 investments – Judgment will be applied in ascertaining whether or not indicators of impairment exist at year end and if so, what the impairment figure should be.
- 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 increase by 0.25%, the value of debtors and creditors would decrease by £586k
- The split between short and long term liabilities – Judgment is applied in ascertaining the likely cash flow in relation to grant payments to dioceses, on an annual basis. This is based on historic annual spend levels and adjusted for delays in anticipated expenditure as a result of COVID-19.

### (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 sufficiently broad 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 15).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## 1. Accounting policies (continued)

### **Restricted funds**

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

### **Endowment funds**

Permanent endowment 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.

Expendable endowment funds are sums of money donated where there is a power to convert the capital of the fund to income at the trustees' discretion.

Further details of each fund are shown in note 15.

### **(f) Income recognition**

All income is recognised when the Council is legally entitled to the income, it is probable the income will be received, and the amount can be measured reliably.

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, it is confirmed that there are sufficient assets to pay the legacy, and there are no conditions attached to the legacy that are outside the control of the Council. Values are reviewed and adjusted up to the point of accounts approval.

### **(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 13) to match the Council's grant commitment to the dioceses (note 14).

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. 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 costs (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 (note 10)**

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 are invested on an accumulation basis (except for investments held within permanent endowment funds).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## **Investments: Programme related investments (note 11)**

The Council recognises its programme related investments at their initial cost, less any impairments.

## **Intangible Fixed Assets (note 12)**

### *Amortisation*

Costs incurred on acquiring or enhancing intangible assets are capitalised. Staff costs that relate to the development of intangible assets are capitalised, including related tax and social security payments. Amortisation is charged on a straight line basis over the estimated useful life of the asset, as set out below:

Software	20%
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## **(j) Pensions**

Staff pensions are described in note 16. 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 19.

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 16.

The Council, together with the Catholic Trust for England and Wales, jointly controls Safe Spaces England and Wales which meets the definition of a programme related investment. Further information is given in notes 10 and 19.

## **(n) Cash at bank and in hand and cash equivalents.**

Cash at bank and in hand includes deposits which can be withdrawn within 24 hours without penalty. Cash equivalents include 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 2022

### 2. Income from grants, donations and legacies

	Unrestricted Funds	Restricted Funds	Endowment Funds	<b>Total 2022</b>	Unrestricted Funds	Restricted Funds	Endowment Funds	<b>Total 2021</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grants received from:								
Church Commissioners	7,630	116,748	-	<b>124,378</b>	1,404	84,441	-	<b>85,845</b>
The Pilgrim Trust	-	325	-	<b>325</b>	-	334	-	<b>334</b>
Cathedral and Major Churches Grant Scheme	-	(43)	-	<b>(43)</b>	-	4,418	-	<b>4,418</b>
Corporation of the Church House	-	1,752	-	<b>1,752</b>	-	1,752	-	<b>1,752</b>
Others	(60)	395	-	<b>335</b>	44	3,632	-	<b>3,676</b>
Discounting adjustment	-	(7,737)	-	<b>(7,737)</b>	-	(3,083)	-	<b>(3,083)</b>
<b>Total grants received</b>	<b>7,570</b>	<b>111,440</b>	<b>-</b>	<b>119,010</b>	<b>1,448</b>	<b>91,494</b>	<b>-</b>	<b>92,942</b>
Contributions from dioceses	9,035	21,150	-	<b>30,185</b>	10,315	21,144	-	<b>31,459</b>
Legacies	910	16	-	<b>926</b>	22	40	713	<b>775</b>
Other donations	35	632	-	<b>667</b>	(2)	419	-	<b>417</b>
<b>Total income from donations and legacies</b>	<b>17,550</b>	<b>133,238</b>	<b>-</b>	<b>150,788</b>	<b>11,783</b>	<b>113,097</b>	<b>713</b>	<b>125,593</b>

#### 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. From the start of 2020, new grant streams have provided for (amongst other things) a national strategy to promote generosity, a strategic transformation programme for dioceses, and sustainability funding to support dioceses through the ongoing financial impact of the pandemic (see note 6 for details).

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

#### Grant from Corporation of the Church House

The Corporation awarded the Council grants of £1.75m in 2022 (2021: £1.75m) which the Council used to support its Safeguarding work.

#### Discounting adjustment

The adjustment shown is the difference between the discounting required on grants receivable at the beginning and end of the financial year. The principal reason for changes in the discounting adjustment shown above is changes in the discount rates used.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 3. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Accommodation – income from sub-tenants	1,142	-	-	1,142	1,446	-	-	1,446
Church House Publishing	249	-	-	249	412	-	-	412
Conferences and courses	264	-	-	264	30	-	-	30
Other income	517	40	83	640	510	1	-	511
<b>Total income from charitable activities</b>	<b>2,172</b>	<b>40</b>	<b>83</b>	<b>2,295</b>	<b>2,398</b>	<b>1</b>	<b>-</b>	<b>2,399</b>

### 4. Income from investments

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Dividends	-	-	97	97	-	-	98	98
Interest on cash and deposit funds	12	43	(3)	52	-	3	1	4
<b>Total income from investments</b>	<b>12</b>	<b>43</b>	<b>94</b>	<b>149</b>	<b>-</b>	<b>3</b>	<b>99</b>	<b>102</b>

### 5. Expenditure on charitable activities

	Grants awarded	Direct costs	Support costs	Total 2022	Grants awarded	Direct costs	Support costs	Total 2021
	Note 6	Note 7	Note 8		Note 6	Note 7	Note 8	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Charitable objective</b>								
A Younger Church	3,089	440	151	3,680	5,872	672	281	6,825
A More Diverse Church	35,542	1,753	603	37,898	34,646	1,069	448	36,163
Revitalise parishes	72,640	7,124	2,446	82,210	60,713	5,848	2,455	69,016
New Christian Communities	8,924	2,812	966	12,702	1,004	351	147	1,502
Missional disciples	4,295	2,332	801	7,428	3,879	2,729	1,144	7,752
Safety and dignity	1,276	5,109	1,757	8,142	968	3,974	1,666	6,608
Sustainability	-	317	109	426	54	579	243	876
<b>Total charitable expenditure</b>	<b>125,766</b>	<b>19,887</b>	<b>6,833</b>	<b>152,486</b>	<b>107,136</b>	<b>15,222</b>	<b>6,384</b>	<b>128,742</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 5. Expenditure on charitable activities (continued)

Charitable expenditure is allocated according to the Archbishops' Council's 7 objectives:

An evangelising Church for everyone through:

1. Doubling the number of children and young active disciples in the Church of England by 2030 ("A Younger Church")
2. A Church of England which fully represents the communities we serve in age and diversity (including disability, race and deprivation) ("A More Diverse Church")
3. A parish system revitalised for mission so there is a pathway for everyone into an accessible and contextual expression of church ("Revitalise Parishes")
4. Creating 10,000 new Christian communities across the four areas of home, work/ education, social and digital ("New Christian Communities")

Empowered by a Church of missionary disciples:

5. All Anglicans envisioned, resourced and released to live out the five marks of mission in the whole of life, bringing transformation to the Church and the world. All local churches, supported by their dioceses, becoming communities and hubs for initial and ongoing formation ("Missional Disciples")
6. A Church that affirms the dignity of all people by being a safe place for all children and vulnerable adults ("Safety and dignity")
7. A Church that cherishes God's creation and leads by example in promoting sustainability ("Sustainability")

### 6. Grant making

A full list of grants awarded to institutions is available on the website: [www.churchofengland.org](http://www.churchofengland.org).

Long-term grant funding is 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.

Strategic Development Funding (SDF) is for new growth opportunities and aims to support major change projects which align with dioceses' strategic plans. Dioceses are accountable to the Council and provide details of how they have spent the monies. SDF projects contribute to one or more of the Archbishops' Council objectives, and have been reported under each relevant charitable expenditure category in (a) to (g) below, in accordance with the allocation of costs. SDF grants have been allocated to the primary objective they support. The nature of grants provided and the interlinkage of the objectives mean that each programme and project will in practice contribute to multiple objectives. For example, grants which primarily support engaging with young people (objective 1) could also impact on becoming a church which represents the communities it serves in age and diversity (objective 2), revitalising existing parishes (objective 3) and starting new worshipping communities (objective 4). All grant funded projects contribute to growth in missionary discipleship (objective 5) as they seek to grow both numbers and depth of missionary disciples. A full analysis of SDF funding is provided at the end of note 6 for completeness.

#### a) A Younger Church

	2022	2021
	£'000	£'000
Strategic Development Funding grants awarded to 2 dioceses (2021: 3 dioceses)	533	6,799
People and Partnerships grants awarded to 3 organisation (2021: 0 organisations)	1,532	-
Church Colleges of Education	-	10
Other education grants	30	125
Growing Faith Foundation	1,269	-
Other grants	29	66
<b>Total grants awarded for A Younger Church before discounting</b>	<b>3,393</b>	<b>7,000</b>
Discounting adjustment	(304)	(1,128)
<b>Total grants awarded for A Younger Church</b>	<b>3,089</b>	<b>5,872</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### b) A More Diverse Church

	2022	2021
	£'000	£'000
Lowest Income Communities (LinC) funding (to 28 dioceses (2021: 28))	28,298	27,354
Transition funding (2017-2026) (to 17 dioceses (2021: 18))	5,302	6,704
SDF grants awarded to 1 diocese (2021: 1 diocese)	2,182	326
Grants awarded to Church Urban fund	203	203
Other grants	133	116
<b>Total grants awarded for A More Diverse Church before discounting</b>	<b>36,118</b>	<b>34,703</b>
Discounting adjustment	(576)	(54)
<b>Total grants awarded for A More Diverse Church</b>	<b>35,542</b>	<b>34,649</b>

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. The Council has provided dioceses with an illustration of the sums it hopes to be able to grant in Lowest Income Communities Funding and Transition Funding in 2023 (£29.1m and £4.2m respectively). It was communicated to dioceses that these grants will only be made if the Church Commissioners provide the Council with the necessary funding in the year, and so these amounts are not included as liabilities within the financial statements.

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.

### c) Revitalise Parishes

	2022	2021
<b>Grants awarded for development of Church buildings for worship and service:</b>		
Grants funded by the Pilgrim Trust (to 88 institutions (2021: 103 institutions))	196	190
Grants funded by the Cathedral and Major Churches Grant Scheme written back (2021: granted to 68 cathedrals/ institutions))	(262)	4,480
Other cathedral grants	27	33
<b>Total grants awarded for development of Church buildings for worship and service</b>	<b>(39)</b>	<b>4,703</b>
<b>Other grants awarded:</b>		
Grants for clergy retirement housing (to Church of England Pensions Board)	5,567	5,431
Grants for ministry training (to 7 individuals and 73 institutions (2021: 10 individuals and 64 institutions))	15,673	16,604
SDF grants awarded to 4 dioceses (2021: 2 dioceses)	5,315	3,269
Strategic Transformation Funding (to 17 dioceses (2021: 11 dioceses))	11,062	8,935
National Giving Strategy (to 5 dioceses (2021: 18 dioceses))	614	1,963
Sustainability Funding (to 12 dioceses (2021: 17 dioceses))	4,329	9,299
Strategic Ministry Funding (to 25 dioceses (2021: 32 dioceses))	10,399	11,297
Energy Cost Grants (to 42 dioceses and 11 institutions (2021:0 dioceses and 0 institutions))	15,092	-
Ministry Hardship Grants (to 42 dioceses and 2 institutions (2021:0 dioceses))	3,000	-
Posts of first responsibility (to 19 dioceses (2021:0 dioceses))	4,315	-
Theological Education Institution fees support (to 14 institutions (2021:0 institutions))	1,102	-
Other grants	538	496
<b>Total grants awarded for Revitalise Parishes before discounting</b>	<b>77,006</b>	<b>61,997</b>
Discounting adjustment	(4,327)	(1,284)
<b>Total grants awarded for Revitalise Parishes</b>	<b>72,640</b>	<b>60,713</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## 6. Grant making (continued)

The Cathedral and Major Churches Grant Scheme was awarded to the Archbishops' Council from the Government's Cultural Recovery Fund, to be administered by an Expert Panel. In 2022 a number of write backs occurred due to underspends on projects.

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. 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 2022. If all ordinands in training at 31 December 2022 were to complete their training, the Council would award a further £19.9m 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 license.

Strategic Ministry Funding is intended to provide financial support to dioceses for growth in the number of clergy, including support for pensions and housing, in a tailored manner so that it is proportionately higher for those dioceses that need it most.

Strategic Transformation Funding is for those dioceses facing financial difficulties wishing to undertake major restructuring programmes in order to better align with their strategic plans and make a significant difference to their mission and financial strength, in turn supporting the Church's sustainable growth.

The National Giving Strategy funding is to support a new strategy over the next five years to encourage giving and generosity in churches. Grants are awarded to dioceses to help them implement this strategy.

Sustainability Funding grants are awarded to dioceses to help mitigate the loss of income caused by the COVID-19 pandemic.

Energy Cost Grants are awarded to dioceses to enable them to help Parochial Church Councils (PCCs) cover the increased cost of heating and lighting church buildings; and to provide targeted hardship support to clergy and other employed ministers to contribute towards household bills, in particular energy costs.

Ministry Hardship Support Grants are given to dioceses to enable them to provide targeted hardship support to clergy and other ministers in greatest need, in light of significantly increased costs of living.

Posts of First Responsibility Grants are an interim funding stream agreed in order to help dioceses fund curates who have completed their ordination training but been unable to secure a post of first responsibility. They are first incumbency roles where the preference is for them to become permanent.

Theological Education Institution (TEI) Fee Support is provided to support Theological Education Institutions through a period of low ordination candidate numbers. It is envisaged as a one-off arrangement required pending the implementation of new Resourcing Ministerial Formation funding arrangements.

### d) New Christian Communities

	2022	2021
	£'000	£'000
Innovation Funding to 10 dioceses and 8 non dioceses (2021: 1 diocese)	4,466	252
SDF grants awarded to 7 dioceses (2021: 5 dioceses)	6,058	901
Other grants	-	2
<b>Total grants awarded for New Christian Communities before discounting</b>	<b>10,524</b>	<b>1,155</b>
Discounting adjustment	(1,600)	(149)
<b>Total grants awarded for New Christian Communities</b>	<b>8,924</b>	<b>1,006</b>

Innovation funding is available for creative mission projects which seek to help the Church fully represent the communities we serve in age and diversity.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### e) Missional Disciples

	2022	2021
	<b>£'000</b>	<b>£'000</b>
<b>Grants awarded from the Grants and Provisions Fund:</b>		
Anglican Communion Office	626	626
Churches Together in England	150	150
Other institutions	291	216
<b>Total grants awarded from the Grants and Provisions Fund</b>	<b>1,067</b>	<b>992</b>
<i>Other grants awarded:</i>		
SDF grants awarded to 14 dioceses (2021: 11 dioceses)	3,522	2,824
Mission Agencies Pension Contributions Fund	615	517
Other grants	21	14
<b>Total grants awarded for Missional Disciples before discounting</b>	<b>4,158</b>	<b>4,347</b>
Discounting adjustment	(930)	(468)
<b>Total grants awarded for Missional Disciples</b>	<b>4,295</b>	<b>3,879</b>

The Church Commissioners are statutorily required under the Church of England Pensions Measure 2018 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 £615,000 (2021: £517,000). The contribution was made in respect of an average number of clergy of 66 in 2022 (2021: 61).

### f) Safety and Dignity

	2022	2021
	<b>£'000</b>	<b>£'000</b>
Past Cases Review 2 (27 grants to 27 dioceses (2021: 12 grants to 12 dioceses))	818	257
Interim support scheme (103 grants to 42 people (2021:84 grants to 44 people))	458	711
<b>Total grants awarded for Safety and Dignity</b>	<b>1,276</b>	<b>968</b>

All 42 dioceses in the Church of England have been asked to conduct a review of past safeguarding cases, to build on the work of the previous past cases review which took place between 2007 and 2009 and was deemed not to be comprehensive enough. The Council has agreed to grant 50% of the total costs of such a review up to a maximum of £30,000 per diocese.

The Survivor Support Scheme was established in 2020 to provide emergency support to survivors of Church-related abuse.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 6. Grant making (continued)

#### g) Sustainability

	2022	2021
	£'000	£'000
Environmental projects grants (0 grants to 0 dioceses (2021: 12 grants to 12 dioceses))	-	49
Other grants	-	5
<b>Total grants awarded for Sustainability</b>	<b>-</b>	<b>54</b>

#### Strategic Development Funding summary:

	2022	2021
	£'000	£'000
A Younger Church (to 3 dioceses (2021: 3 dioceses))	532	6,799
A More Diverse Church (to 1 dioceses (2021: 1 dioceses))	2,182	326
Revitalise Parishes (to 4 dioceses (2021: 2 dioceses))	5,315	3,269
New Christian Communities (to 7 dioceses (2021: 5 dioceses))	6,058	901
Missional Disciples (to 15 dioceses (2021: 11 dioceses))	3,522	2,824
<b>Total grants awarded under SDF before discounting:</b>	<b>17,609</b>	<b>14,119</b>
Discounting adjustment	(4,652)	(2,342)
<b>Total grants awarded under SDF:</b>	<b>12,957</b>	<b>11,777</b>

### 7. Direct costs

Charitable objective	Administration and central office costs		Department running costs	2022 Total	Administration and central office costs		2021 Total
	£'000	£'000			£'000	£'000	
A Younger Church	77	363	440	120	555	675	
A More Diverse Church	451	1,302	1,753	187	876	1,063	
Revitalise Parishes	2,074	5,050	7,124	1,335	4,518	5,853	
New Christian Communities	446	2,366	2,812	119	228	347	
Missional Disciples	279	2,053	2,332	375	2,356	2,731	
Safety and Dignity	497	4,612	5,109	1,010	2,964	3,974	
Sustainability	54	263	317	118	461	579	
<b>Total direct costs</b>	<b>3,878</b>	<b>16,009</b>	<b>19,887</b>	<b>3,264</b>	<b>11,958</b>	<b>15,222</b>	

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 2022 were £4.1m (2021: £2.4m).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 8. Support costs

	Note	2022 Total £'000	2021 Total £'000
<b>Support costs</b>			
Accommodation		2,400	2,459
Shared service costs		4,120	3,786
<b>Total support costs</b>		<b>6,520</b>	<b>6,245</b>
<b>Governance costs</b>			
Audit fees		43	33
Internal audit and risk management		149	122
Membership and committees		8	2
<b>Total governance costs</b>		<b>200</b>	<b>157</b>
<b>Sub-Total</b>		<b>6,720</b>	<b>6,402</b>
<b>Movement on pension deficit provision</b>			
Interest on provision	16	9	3
Re-measurement of provision	16	104	(21)
<b>Total support and governance costs</b>		<b>6,833</b>	<b>6,384</b>

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. The external audit fees are quoted gross of VAT.

Expenses incurred by members in attending Council and committee meetings and on other business of the Council were reimbursed to 20 members (2021: 4) totaling to £7,200 (2021: £1,700). 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 2022

### 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 19) 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 £3.6m (2021: £3.8m).

During the year, changes in managing employer were enacted as part of the ongoing Transforming Effectiveness programme. Notably the managing employer for Cathedrals and Church Building (CCB) staff was changed from the Council to the Church Commissioners and the managing employer for staff in the Strategy & Development Unit was changed from ChECS to the Council when they joined the Vision and Strategy team. Due to the salary profiles of these respective departments there has been an increase in payroll costs for the Council in 2022.

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

	Archbishops' Council		ChECS	
	2022	2021	2022	2021
	Number	Number	Number	Number
Average Number Employed	170	162	157	177
	£'000	£'000	£'000	£'000
Salaries	8,019	6,869	7,565	8,504
National Insurance Costs	963	771	947	948
Pension Contributions	1,046	932	1,542	1,201
<b>Total cost of staff</b>	<b>10,028</b>	<b>8,572</b>	<b>10,054</b>	<b>10,653</b>

Included in the Council's own staff costs is £200,400 (2021: £75,400) paid by way of redundancy costs to 7 (2021: 2) individuals. (Note – the ChECS pension contributions figures do not include the ChECS pension deficit contributions, the Council's share of which is accounted for on the Council's balance sheet).

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

	Archbishops' Council		ChECS	
	2022	2021	2022	2021
	Number	Number	Number	Number
£60,001 to £70,000	22	6	13	17
£70,001 to £80,000	9	5	6	4
£80,001 to £90,000	3	5	3	3
£90,001 to £100,000	2	2	2	2
£100,001 to £110,000	2	-	5	7
£110,001 to £120,000	1	-	1	-
£120,001 to £130,000	-	-	2	1
£130,001 to £140,000	-	-	-	1
£180,001 to £190,000	-	1	-	-
£190,001 to £200,000	1	-	-	-

The standard emoluments for staff in band 2 posts increased from £58,569 in 2021 to £60,783 in 2022.

Of the staff above managed by the Council, 31 (2021: 16) accrue benefits under the CAPF defined contribution scheme for which contributions for the year were £312,000 (2021: £190,000). A further 6 staff (2021: 2) accrue benefits under defined benefit schemes, with 6 (2021: 2) in the CAPF and 0 (2021: 0) in the CEFPS. Defined benefit contributions for the year for these staff were £100,000 (2021: £38,000).

Of the staff above managed by ChECS, 29 (2021: 30) staff members accrue benefits under the CAPF defined contribution scheme for which contributions for the year were £328,000 (2021: £330,000). The remaining 3 staff members (2021: 5) accrue benefits under a defined benefit scheme. Defined benefit contributions for the year for these staff were £77,000 (2021: £105,000).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

The Council's senior executive leadership team comprises 19 individuals, for whom the Archbishops' Council was the managing employer of 11 individuals and ChECS was the managing employer of 8. Their aggregate remuneration, including pension contributions, is £2,111,000 (2021: £2,048,000).

### **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 2022

### 10. Investments

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	40,496	35,671
Additions	-	360
Disposals	(4,050)	-
Unrealised (losses) / gains on revaluation	(3,956)	4,465
<b>At 31 December</b>	<b>32,490</b>	<b>40,496</b>

#### **Investment funds**

Funds were principally held in collective investment schemes managed by Sarasin & Partners LLP and CCLA Investment Management Limited. Investments were held as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Sarasin	21,895	27,305
CCLA	10,588	13,184
Other	7	7
<b>At 31 December</b>	<b>32,490</b>	<b>40,496</b>

The investment funds consisted of the following underlying assets:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Equities	22,568	30,265
Property	1,391	1,592
Index linked / Fixed interest securities	3,406	2,854
Infrastructure / Alternative	3,692	3,630
Cash and cash equivalents	1,433	2,155
<b>At 31 December</b>	<b>32,490</b>	<b>40,496</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 11. Programme related investments

Two properties are held by the Council and meet the definition of 'programme related investments' as set out in the SORP. The properties 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.

Safe Spaces England and Wales (Safe Spaces) is a charitable jointly controlled entity between the Archbishops' Council and the Catholic Trust for England and Wales (CaTEW) and therefore also meets the definition of a programme related investment.

In addition, the Social Impact Investment fund established in 2021 qualifies as a programme related investment, being funding made available by the Church Commissioners specifically to advance the missional objectives of the Church and particularly focussed on alleviating the effects of poverty through addressing housing needs, widening access to responsible finance and caring for the environment.

	<b>2022</b>	2021
	<b>£'000</b>	<b>£'000</b>
At 1 January	3,699	3,225
Additions – Social Impact Fund	1,781	474
Additions – Safe Spaces	356	281
Impairment	(356)	(281)
<b>At 31 December</b>	<b>5,480</b>	<b>3,699</b>

As at 31 December 2022, a further £2.5m had been committed from the Council's Social Impact Fund, with the aims of providing affordable loans to charities and social enterprises as they seek to recover from the effects of COVID-19, and providing safe housing to vulnerable women. This will be paid over in subsequent years.

### 12. Intangible fixed assets

A National Safeguarding Casework Management System is currently being developed, costs for which have been capitalised since the project moved into delivery phase in October 2021. A contract is in place with The Safeguarding Company to develop a system that will be adopted by the National Safeguarding Team and ultimately all dioceses and cathedrals of the Church of England. A pilot version of the system is in use within 11 volunteer dioceses. Full rollout to all dioceses and cathedrals is anticipated in 2024.

	<b>2022</b>	2021
	<b>£'000</b>	<b>£'000</b>
At 1 January	213	-
Additions	574	213
Amortisation	-	-
<b>At 31 December</b>	<b>787</b>	<b>213</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 13. Debtors

	2022	2021
	£'000	£'000
<b>Amounts due within one year</b>		
Trade debtors	256	293
Prepayments	337	90
Amounts due from NCIs	6,506	3,711
Amounts due from colleges and schools	169	81
VAT and social security	-	132
Other debtors	554	924
Grants receivable – Strategic Development Funding	36,651	25,357
Grants receivable – Strategic Ministry Funding grants	7,646	4,945
Grants receivable – Strategic Transformation Funding grants	8,953	5,010
Grants receivable – Other grants	5,101	3,562
<b>Total debtors due within one year</b>	<b>66,173</b>	<b>44,105</b>
<b>Amounts due after more than one year</b>		
Grants receivable – Strategic Development Funding grants	61,581	75,989
Grants receivable – Strategic Ministry Funding grants	8,937	7,681
Grants receivable – Strategic Transformation Funding grants	18,326	13,414
Grants receivable – Other grants	7,922	2,357
<b>Total before discounting adjustment</b>	<b>96,766</b>	<b>99,441</b>
Discounting adjustment	(10,933)	(3,195)
<b>Total debtors due after one year</b>	<b>85,833</b>	<b>96,246</b>
<b>Total debtors</b>	<b>152,006</b>	<b>140,351</b>

### 14. Creditors

	2022	2021
	£'000	£'000
<b>Amounts due within one year</b>		
Trade creditors	1,066	368
Grants payable – Strategic Development Funding grants	36,466	25,287
Grants payable – Strategic Ministry Funding	7,646	4,945
Grants payable – Strategic Transformation Funding	8,953	5,010
Grants payable – Other grants	4,780	6,468
Accruals and deferred income	2,972	1,283
Amounts due to NCIs	453	370
VAT and social security	94	-
Other creditors	1,214	170
<b>Total creditors due within one year</b>	<b>63,644</b>	<b>43,901</b>
<b>Amounts due after more than one year</b>		
Grants payable - Strategic Development Funding	61,581	75,989
Grants payable – Strategic Ministry Funding	8,937	7,681
Grants payable – Strategic Transformation Funding	18,326	13,414
Grants payable – Other grants	7,922	2,357
<b>Total before discounting adjustment</b>	<b>96,766</b>	<b>99,441</b>
Discounting adjustment	(10,933)	(3,195)
<b>Total creditors due after more than one year</b>	<b>85,833</b>	<b>96,246</b>
<b>Total creditors</b>	<b>149,477</b>	<b>140,147</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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

Grant stream	2024	2025	2026	2027	2028	2029 and beyond	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Strategic Development Funding	26,240	19,557	10,560	4,507	562	155	<b>61,581</b>
Strategic Ministry Funding	6,211	2,726	-	-	-	-	<b>8,937</b>
Strategic Transformation Funding	6,928	5,945	3,259	1,780	301	113	<b>18,326</b>
Other grant streams	3,085	2,687	1,637	509	4	-	<b>7,922</b>
<b>Total before discounting adjustment</b>	<b>42,464</b>	<b>30,915</b>	<b>15,456</b>	<b>6,796</b>	<b>867</b>	<b>268</b>	<b>96,766</b>
Discounting adjustment	(3,507)	(3,646)	(2,316)	(1,216)	(183)	(65)	(10,933)
<b>Total</b>	<b>38,957</b>	<b>27,269</b>	<b>13,140</b>	<b>5,580</b>	<b>684</b>	<b>203</b>	<b>85,833</b>

### Reconciliation of deferred income

	2022
	£
Deferred at 1 January 2022	28,722
Released during the year	(28,722)
Deferred during the year	-
Deferred at 31 December 2022	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## 15. Statement of funds

The table below shows details of 2022 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 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Fund balances carried forward £'000
<b>Unrestricted funds</b>						
General Fund	2,532	18,650	(21,010)	2,360	(167)	2,365
Designated funds						
Church Schools Fund	415	-	-	-	-	415
Church House planned maintenance	730	100	334	84	-	1,248
Programme related investments	3,699	-	-	(474)	-	3,225
CHARM (*)	411	-	-	-	-	411
Other designated funds	1,427	984	(423)	(189)	-	1,799
Total designated funds	6,682	1,084	(89)	(579)	-	7,098
Total unrestricted funds before pension reserve	9,214	19,734	(21,099)	1,781	(167)	9,463
Pension deficit reserve	(1,142)	-	522	-	-	(620)
<b>Total unrestricted funds</b>	<b>8,072</b>	<b>19,734</b>	<b>(20,577)</b>	<b>1,781</b>	<b>(167)</b>	<b>8,843</b>
<b>Restricted funds</b>						
Training for ministry fund (*)	2,717	15,637	(15,637)	-	-	2,717
Grants & provisions fund (*)	265	1,247	(1,274)	-	-	238
Mission agencies pension contributions (*)	429	620	(615)	-	-	434
CHARM (*)	401	5,576	(5,567)	-	-	410
Dioceses Fund	1,018	257	(250)	-	-	1,025
Legal costs	772	3	(335)	-	-	440
Strategic Development and Innovation Funding	134	22,160	(22,151)	-	-	143
Lowest Income Communities Funding (LiNC)	-	28,298	(28,298)	-	-	-
Transition Funding	-	5,302	(5,302)	-	-	-
Cathedral and Major Churches Grant Scheme	82	(38)	234	-	-	278
Strategic Ministry Funding	1	10,399	(10,399)	-	-	1
Sustainability Funding	-	4,329	(4,329)	-	-	-
National Giving Strategy	-	1,464	(1,464)	-	-	-
Strategic Transformation Funding	-	11,062	(11,062)	-	-	-
Safeguarding Funding	-	1,752	(1,752)	-	-	-
Posts of First Responsibility	-	4,315	(4,315)	-	-	-
Energy Costs	-	15,092	(15,092)	-	-	-
Ministry Hardship grants	-	3,000	(3,000)	-	-	-
TEI Support	-	1,102	(1,102)	-	-	-
Growing Faith Foundation	-	1,269	(1,269)	-	-	-
Social Impact fund	-	1,626	-	474	-	2,100
People & Partnership Funding	-	1,532	(1,532)	-	-	-
Grant discounting	-	(7,737)	7,737	-	-	-
Other restricted funds	1,239	5,054	(4,288)	-	(37)	1,968
<b>Total restricted funds</b>	<b>7,058</b>	<b>133,321</b>	<b>(131,062)</b>	<b>474</b>	<b>(37)</b>	<b>9,754</b>
<b>Endowment funds</b>						
Expendable endowment funds						
The Archbishops' Council Ministerial Training Trust Fund	1,453	53	(702)	-	(98)	706
Church Colleges of Education Fund	4,783	23	-	-	(449)	4,357
Church and Community Fund	22,210	(12)	-	(2,255)	(2,266)	17,677
Church of England Special Purposes Fund	2,400	1	-	-	(214)	2,187
Women's Continuing Ministerial Education Trust	2,038	-	(52)	-	(188)	1,798
Faith & Public Life Sundry Funds	392	-	-	-	(37)	355
Other expendable endowment funds	1,321	89	(73)	-	(47)	1,290
Total expendable endowment funds	<b>34,597</b>	<b>154</b>	<b>(827)</b>	<b>(2,255)</b>	<b>(3,299)</b>	<b>28,370</b>
Permanent endowment funds						
The Archbishops' Council Ministerial Training Trust Fund	1,999	-	-	-	(240)	1,759
Church Colleges of Education Fund	836	-	(2)	-	(105)	729
Other permanent endowment funds	984	23	(18)	-	(108)	881
Total permanent endowment funds	3,819	23	(20)	-	(453)	3,369
<b>Total endowment funds</b>	<b>38,416</b>	<b>177</b>	<b>(847)</b>	<b>(2,255)</b>	<b>(3,752)</b>	<b>31,739</b>
<b>Total funds of the charity</b>	<b>53,546</b>	<b>153,232</b>	<b>(152,486)</b>	<b>-</b>	<b>(3,956)</b>	<b>50,336</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 15. 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
<b>Unrestricted funds</b>	5,612	14,075	(7,133)	(3,091)	(620)	8,843
<b>Restricted Funds</b>	2,608	(5,553)	159,030	(146,331)	-	9,754
<b>Endowment Funds</b>	30,537	1,148	109	(55)	-	31,739
<b>Total</b>	<b>38,757</b>	<b>9,670</b>	<b>152,006</b>	<b>(149,477)</b>	<b>(620)</b>	<b>50,336</b>

#### 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.

*Programme related investments fund* represents the carrying value of the Council's properties and Safe Spaces (see note 11 for details)

*Pension deficit reserve* represents the valuation of the deficit contributions to be met by the Council – see note 16 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* is the vehicle by which grant funding from the Church Commissioners is distributed to dioceses (and non dioceses) to aid new growth opportunities.

*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.

*Strategic Ministry Funding* represents funding support for which dioceses can apply to help meet the incremental costs caused by an increased number of ordinands being trained.

*Sustainability Funding* is to support dioceses in the face of COVID19 related loss of income.

*Strategic Transformation Funding* is to provide funding for those dioceses facing significant financial challenge and to support restructuring with the aim of sustainable growth.

*National Giving Strategy* is to support a new strategy over the next five years to encourage giving and generosity in churches.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 15. Statement of funds (continued)

*Safeguarding funding* is grant money from the Corporation of the Church House to be spent on the Safeguarding objective

*Posts of First Responsibility* is an interim funding stream agreed in order to help dioceses fund curates who have completed their ordination training but been unable to secure a post of first responsibility. They are first incumbency roles where the preference is for them to become permanent.

*Energy Costs Grants* is funding distributed to dioceses to enable them to help PCCs (Parochial Church Councils) cover the increased cost of heating and lighting church buildings. Dioceses are able to use their funding to make additional, targeted hardship payments to clergy and other employed ministers to cover household bills, in particular energy costs.

*Ministry Hardship Fund* is a fund set up in response to the cost of living crisis. Funds were made available for dioceses to provide targeted grant support for those ministers (both ordained and lay) each diocese considers most affected by the high level of inflation.

*TEI Transitional Support* is a fund set up to support Theological Education Institutions through a period of low ordination candidate numbers. It is envisaged as a one-off arrangement required pending the implementation of new Resourcing Ministerial Formation funding arrangements.

*Growing Faith Foundation* is a grant to the National Society to fund its' Growing Faith Foundation over the next five years, the aim of which is put children and young people at the heart of the mission and ministry of the Church.

*Social Impact Fund* funding is made available by the Church Commissioners specifically to advance the missional objectives of the Church and is focussed on alleviating the effects of poverty through addressing housing needs, widening access to responsible finance and caring for the environment.

*People & Partnership Funding* is funding to supplement the direct investment provided to dioceses by funding the pipelines of people, the capacity and research which will be needed to deliver the Vision and Strategy across the whole country.

### 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. 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:

- £2,255,000 transferred from the Church & Community (Endowment) Fund to general funds to meet general operating activities and safeguarding grants.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

## 15. Statement of funds (continued)

For **comparative purposes**, the table below shows details of **2021** 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
<b>Unrestricted funds</b>						
General Fund	2,334	13,477	(15,474)	1,997	198	2,532
<i>Designated funds</i>						
Church Schools Fund	541	-	(126)	-	-	415
Church House planned maintenance	622	125	(102)	85	-	730
Programme related investments: properties	3,225	474	(281)	281	-	3,699
CHARM (*)	411	-	-	-	-	411
Other designated funds	1,478	105	6	(162)	-	1,427
<b>Total designated funds</b>	<b>6,277</b>	<b>704</b>	<b>(503)</b>	<b>204</b>	<b>-</b>	<b>6,682</b>
Total unrestricted funds before pension reserve	8,611	14,181	(15,977)	2,201	198	9,214
Pension deficit reserve	(1,759)	-	617	-	-	(1,142)
<b>Total unrestricted funds</b>	<b>6,852</b>	<b>14,181</b>	<b>(15,360)</b>	<b>2,201</b>	<b>198</b>	<b>8,072</b>
<b>Restricted funds</b>						
Training for ministry fund (*)	2,572	16,737	(16,592)	-	-	2,717
Grants & provisions fund (*)	348	1,262	(1,195)	(150)	-	265
Mission agencies pension contributions (*)	285	661	(517)	-	-	429
CHARM (*)	401	5,431	(5,431)	-	-	401
Dioceses Fund	1,018	250	(250)	-	-	1,018
Legal costs	925	-	(303)	150	-	772
Strategic Development Funding (Diocesan)	-	14,151	(14,151)	-	-	-
Strategic Development Funding (Non-Diocesan)	419	(6)	(279)	-	-	134
Lowest Income Communities Funding (LinC)	-	27,354	(27,354)	-	-	-
Transition Funding	-	6,704	(6,704)	-	-	-
Cathedral and Major Churches Grant Scheme	150	4,418	(4,486)	-	-	82
Strategic Ministry Funding	-	11,402	(11,401)	-	-	1
Sustainability Funding	-	9,299	(9,299)	-	-	-
National Giving Strategy	-	2,508	(2,508)	-	-	-
Strategic Transformation Funding	-	9,011	(9,011)	-	-	-
Safeguarding Funding	-	1,752	(1,752)	-	-	-
Digital Funding	-	1,298	(1,298)	-	-	-
Grant discounting	-	(3,083)	3,083	-	-	-
Other restricted funds	1,075	3,952	(3,818)	-	30	1,239
<b>Total restricted funds</b>	<b>7,193</b>	<b>113,101</b>	<b>(113,266)</b>	<b>-</b>	<b>30</b>	<b>7,058</b>
<b>Endowment funds</b>						
<i>Expendable endowment funds</i>						
The Archbishops' Council Ministerial Training Trust Fund	904	753	2	(320)	114	1,453
Church Colleges of Education Fund	4,233	23	(10)	-	537	4,783
Church and Community Fund	21,399	13	-	(1,875)	2,673	22,210
Church of England Special Purposes Fund	2,004	-	-	142	254	2,400
Women's Continuing Ministerial Education Trust	1,737	-	(55)	132	224	2,038
MPA Sundry Funds	454	-	(30)	(60)	28	392
Other expendable endowment funds	1,250	-	-	-	71	1,321
<b>Total expendable endowment funds</b>	<b>31,981</b>	<b>789</b>	<b>(93)</b>	<b>(1,981)</b>	<b>3,901</b>	<b>34,597</b>
<i>Permanent endowment funds</i>						
The Archbishops' Council Ministerial Training Trust Fund	1,824	-	-	-	175	1,999
Church Colleges of Education Fund	793	-	(2)	(32)	77	836
Other permanent endowment funds	1,087	23	(21)	(188)	83	984
<b>Total permanent endowment funds</b>	<b>3,704</b>	<b>23</b>	<b>(23)</b>	<b>(220)</b>	<b>335</b>	<b>3,819</b>
<b>Total endowment funds</b>	<b>35,685</b>	<b>812</b>	<b>(116)</b>	<b>(2,201)</b>	<b>4,236</b>	<b>38,416</b>
<b>Total funds of the charity</b>	<b>49,730</b>	<b>128,094</b>	<b>(128,742)</b>	<b>-</b>	<b>4,464</b>	<b>53,546</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 15. 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
<b>Unrestricted funds</b>	5,679	1,246	3,928	(1,639)	(1,142)	8,072
<b>Restricted Funds</b>	390	9,429	135,708	(138,469)	-	7,058
<b>Endowment Funds</b>	38,339	(599)	715	(39)	-	38,416
<b>Total</b>	<b>44,408</b>	<b>10,076</b>	<b>140,351</b>	<b>(140,147)</b>	<b>(1,142)</b>	<b>53,546</b>

### 16. 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:

	2022	2021
	£'000	£'000
CAPF	620	1,126
CEFPS	-	16
<b>Total</b>	<b>620</b>	<b>1,142</b>

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
2022	13	143	11	167
2021	12	135	12	159

#### **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 2019. This revealed a deficit of £9.1m for the entire scheme. Following the valuation, the employers have collectively entered into an agreement with CAPF to pay contributions of 27.6% of Pensionable Salaries with effect from 1 January 2021. The employers also agreed to make deficit payments of £2,400,000 per annum payable monthly, from 2021 to 31 December 2023 with no future increases, in respect of the shortfall in the Defined Benefit Section. 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:

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 16. Pensions (continued)

	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	756	(470)	6	199	491
Share of ChECS staff	369	(153)	3	(90)	129
<b>Total provision</b>	<b>1,125</b>	<b>(623)</b>	<b>9</b>	<b>109</b>	<b>620</b>

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 0.0% (2021: 1.1%).

In addition, the employers are responsible for making contributions towards the administration costs of the scheme of £500,000 (2021: £500,000). In 2022, the Council's share of these costs was £133,000 (2021: £120,000).

*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 £737,000 in 2022 (2021: £648,000).

#### **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. Following the full valuation of the scheme as at 31 December 2018, which showed an overall deficit of £50m, a recovery plan was put in place with deficit recovery contributions set at 7.1% of pensionable stipends resulting in an aggregate contribution rate of 39.9% of pensionable stipends. In February 2022, as early indications were that the full valuation as at 31 December 2021 was likely to show a surplus, an interim step was taken to reduce the overall contribution rate to 36% of pensionable stipends from 1 April 2022.

The last full valuation of the scheme as at 31 December 2021 showed an overall surplus of £560m. As a result of this, the recovery plan put in place following the previous full valuation as at 31 December 2018 was ceased with effect from 1 January 2023 and the aggregate contribution was reduced to 28% of pensionable stipends.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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	16	(11)	-	(5)	-
<b>Total provision</b>	<b>16</b>	<b>(11)</b>	<b>-</b>	<b>(5)</b>	<b>-</b>

### **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 2022 there were 10 (2021: 10) 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	28	-	28
<b>Total fund</b>	<b>28</b>	<b>-</b>	<b>28</b>

### **17. 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 £0 (12 months from 31 December 2021: £1,176,595).

### **18. 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 £17,000 (2021: £23,000), expenditure of £37,000 (2021: £347,000) and net assets of £3,400,000 (2021: £3,761,000).

### **19. Related parties**

The following amounts were paid to related parties in respect of grant funding (Church Urban Fund) and conference attending costs (Fresh Expressions) from the Archbishops' Council:

- £203,000 (2021: £203,000) paid to Church Urban Fund in respect of grant funding
- £5,000 paid to Fresh Expressions, £1,000 being in respect of license fees and £4,000 being a donation (2021: £1,000 in respect of license fees)

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.

### **Pension Schemes**

Details of amounts paid to the pension schemes are disclosed in note 16.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 19. Related parties (continued)

#### Jointly Controlled Entities

##### *Church of England Central Services*

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 (2021: £nil) and £1.9m was owed to the Council by ChECS (2021: £110,000 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.

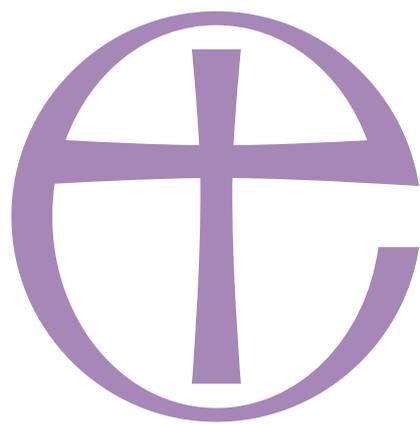
##### *Safe Spaces England and Wales*

Safe Spaces England and Wales (Safe Spaces) is a charitable jointly controlled entity between the Archbishops' Council and the Catholic Trust for England and Wales (CaTEW). The purpose of Safe Spaces is to provide support for those affected by church related abuse (of any kind), in the form of a helpline, a website providing information and advice to survivors and their families, and up to 10 community based survivor led therapeutic support groups, both faith based and secular. At the balance sheet date, the Council included Safe Spaces as a programme related investment of £nil (2021: £nil) as set out in note 10. £48,000 (2021: £82,000) was owed to the Council by Safe Spaces at the end of the year.

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