



The Archbishops' Council

Annual Report and Financial Statements
for the year ended 31 December 2020





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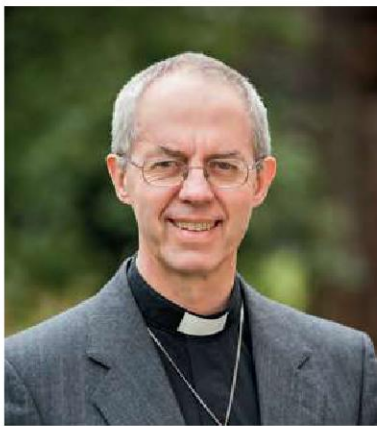
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Presidents' Foreword



Our annual report for 2020 focuses on the role played by the Archbishops' Council in supporting the mission and ministry of the Church of England, against the backdrop of the COVID-19 pandemic. This was a year of momentous events and change that will register in memory and in history and it continues to have a profound effect on the shape, calling and experience of mission in the Church of England.

The Council remained committed to enabling churches to be equipped to make and sustain disciples, of encouraging vocations to lay and ordained ministry, aimed at ensuring the Church continues to be a growing church for all people, in all places, serving the common good and bringing more people to Jesus Christ. We were encouraged that through the great efforts of Training Institutions and Dioceses 560 ordinands are anticipated to

complete theological training in 2021 – while an additional 110 stipendiary posts are expected to be part funded through the Council's Strategic Ministry Funding.

Several groups have been established throughout 2020, working collaboratively with the Archbishops' Council to discern how the Church of England should respond and adapt given the challenges brought about by COVID-19. This included a Recovery Group, alongside work streams reviewing our governance structures and exploring the simplification of our operations. Consultative work continued to discern a vision and strategy for the Church of England for the next decade. The vision of course, remains the same as it always has – that we become a Christ-like church in all we do and a church that is centred on Jesus Christ and shaped by Jesus Christ. Three

themes have emerged – we must be a church which is simpler, humbler, and bolder.

We are extremely grateful for all that was done throughout the year across the whole church – from finding new and creative ways of sharing worship together after public church services were put on hold in response to the pandemic – to the countless clergy and lay people who gave their energy and commitment to the service of those in need and to supporting our key workers. Despite the challenges which 2020 brought, the Church of England, through its presence in every community continued to play a vital role in serving those communities.

Remembrance Services in our churches and cathedrals across the country also took on additional significance, for people coping with bereavement amid the trauma, loss,

and struggle of the coronavirus pandemic, and for those who could not attend a funeral. To mark the season of remembrance, specific resources for people paying tribute at home in memory of a loved one, were created.

The Black Lives Matter movement in 2020 exposed the systemic racism that continues to cause incalculable harm across the world. Through the work of every part of the Church, we are called to live out the love of Christ towards our neighbour – a command at the heart of the Christian message. As we play our part to eliminate racism, we need to confess our own failings and commit ourselves to urgent change. See page 34 of this report.

In October, the Independent Inquiry into Child Sexual Abuse produced its report on the Anglican Church. The report made eight recommendations including the

Church's response to victims and survivors. The General Synod motion in February showed the commitment to a more fully victim and survivor centred approach including arrangements for redress which are already underway. We want to thank the inquiry for its in-depth work and note the Archbishops' Council accepted all their recommendations.

The Church of England, at the heart of local communities, will continue to strive for the common good, educating one million children, providing 35,000 social action projects, supporting the most vulnerable, and sharing Christ's love with all.

We give our heartfelt thanks for the prayers and the hard work of those who we work alongside in helping to achieve so much. It is appropriate here to pay tribute to Archbishop John Sentamu,

following his retirement in 2020, to express our gratitude and to thank him and Margaret for their example of love and service, dedication, and sacrifice.

We pray that God will continue to bless and guide us all to continue to build a growing Church, as we work to support the Church of England's mission to see the Gospel lived and proclaimed in word and deed. Amidst the human, financial and missional challenges we face, we look ahead with conviction, hope, faith, and prayer – encouraged and inspired by the life, death, and resurrection of Jesus Christ.



Justin Cantuar:

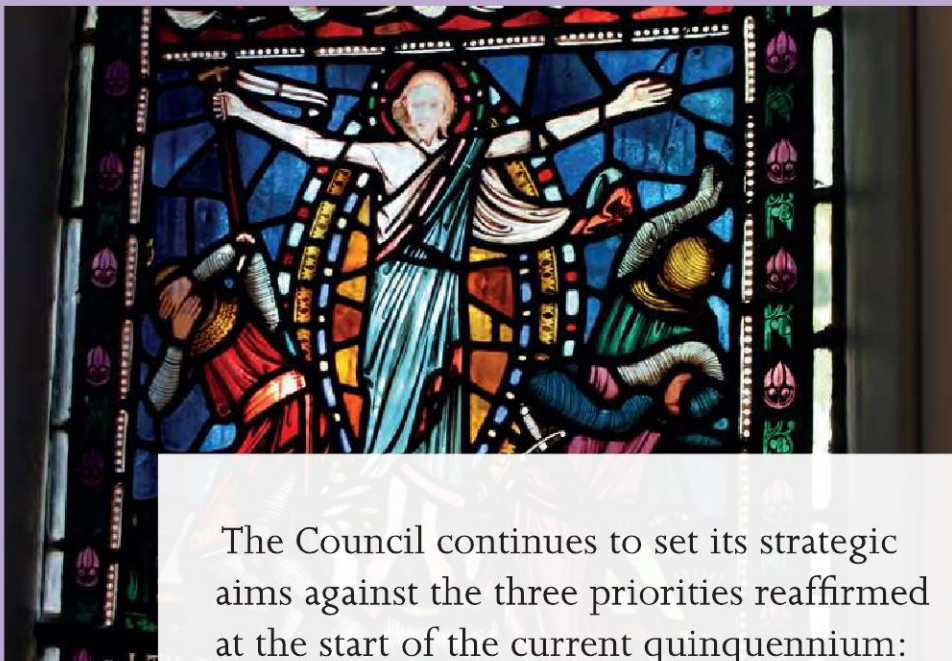


Stephen Ebor:

The Archbishops' Council

The Council was established under the National Institutions Measure 1998

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



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

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

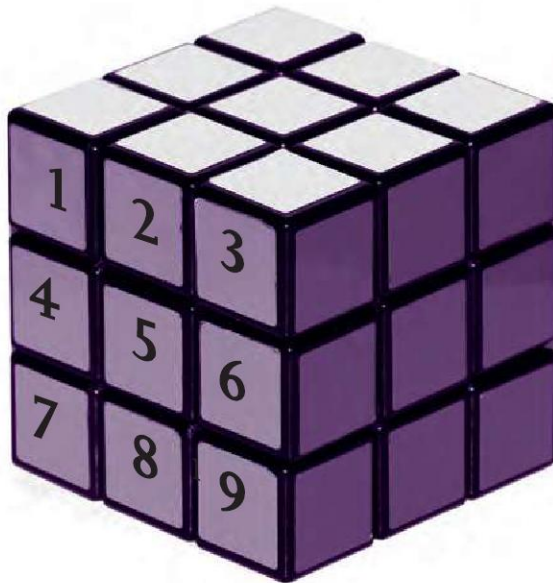
The Council's Objectives

The Council's statutory object is to:

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

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

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



Financial Summary

These graphs show the breakdown of 2020 income and expenditure for the Archbishops' Council. The work of the Archbishops' Council is principally resourced by contributions from Church of England dioceses and funds made available to it by the Church Commissioners. Under the terms of the National Institutions Measure, the Council distributes money made available by the Church Commissioners each year to support ministry and mission in the dioceses. Expenditure is shown analysed by the Council's nine objectives.

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:

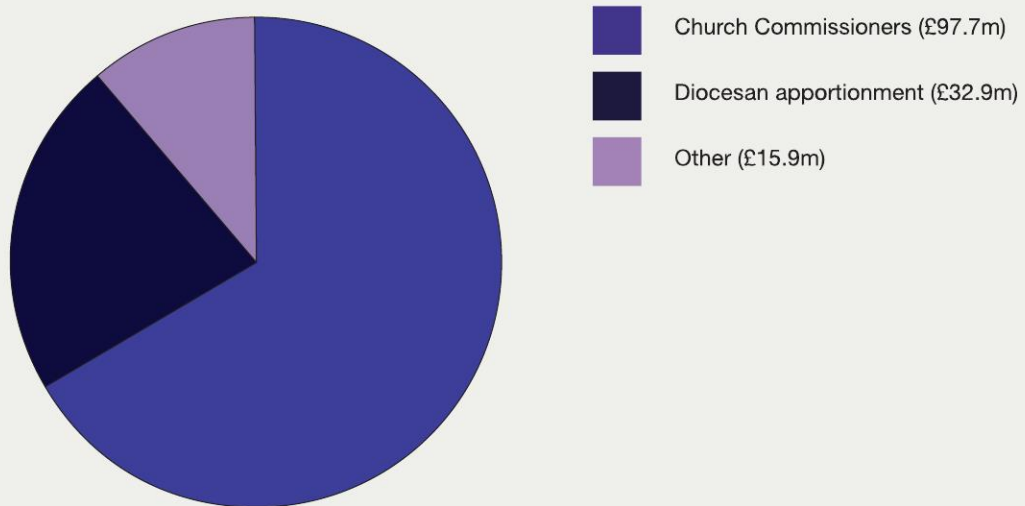
- Investment in recruiting and training new ministers – helping dioceses deliver the Church-wide goal of increasing the number of ordinands by 50%;
- Supporting dioceses in making strategic investment in change programmes designed to produce 'good growth';
- The continuation of specific funding to help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

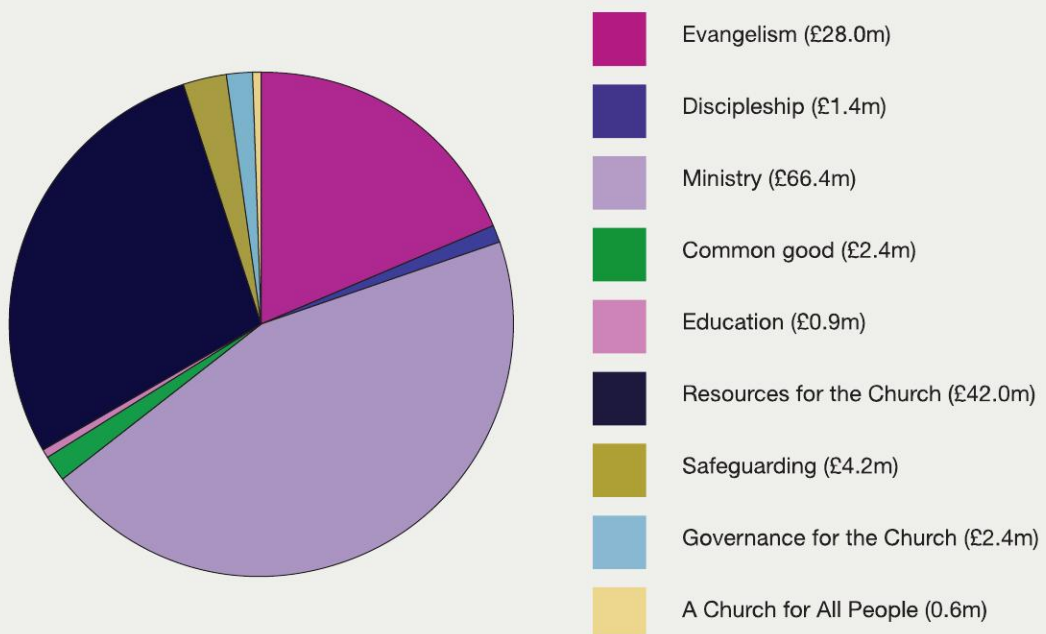
- Additional ordinands funding to meet training costs for the incremental increase in ordinands and Strategic Ministry Funding to support dioceses with the incremental costs of an increased number of curates resulting from this increase.
- Strategic Transformation Funding to support dioceses with financial 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.

In the first half of 2020 the Council worked with the Church Commissioners to establish a Sustainability Funding grant scheme to help dioceses meet the financial challenges arising from the Covid-19 pandemic. It also secured a grant of £10m from the government's Cultural Recovery Fund to make grants towards capital repair costs for cathedrals and Major Churches.

Analysis of 2020 incoming resources of £146.5m



2020 Expenditure by charitable objective activity:



From the Secretary General



As for all churches, charities, and institutions in 2020, the work of the Archbishops' Council in the last year was dominated by COVID-19, and the Council's work to support the response of the Church of England to the pandemic.

It was an altogether unusual year. The challenges for the Council, and for its staff, like the challenges facing the whole Church, were unprecedented.

The Council began work to prepare for the onset of the pandemic at the end of February. On 16 March, the Prime Minister asked everyone to work at home if they could; by 18 March virtually all the Council's staff were working from home; and on 23 March the first national lockdown began. As I write in March 2021, we are only approaching the end of a third national lockdown, and all staff are once again working from home.

Very rapidly in the spring, we put in place systems and structures to support the Council's work to help churches - a recovery group of bishops chaired by the Bishop of London, and a Gold - Silver - Bronze structure of staff and others from around the Church, to manage the National Church Institutions' response. Work specific to the Covid response has included: the provision of copious amounts of guidance for churches on different aspects of preparation, risk assessment, public health and reopening, adjusted each time the Government's restrictions and guidance changed; a programme

of financial support for dioceses, under which ultimately £14.9 million of national Church funds was granted to 24 dioceses to help them financially through the pandemic in the short term; a hugely expanded offering of digital material, including weekly online services provided nationally on Sundays, plus extensive training webinars and materials to support local churches in their development of online and hybrid services, plus financial support for the Daily Hope telephone line for people without access to the internet; the provision and publication of new prayers and liturgy suitable for the different stages in the pandemic; and support for clergy and laity wellbeing, through advice, guidance and materials.

It was undoubtedly a difficult year, for the Council and its staff, for local churches around the country, and particularly for church leaders, both ordained and lay. Working almost entirely from home, the Council's staff sought to provide support to local churches in these various ways. I am very proud of the remarkable and creative ways in which staff have been able to respond, despite the inevitable anxiety and dislocation, and in some cases serious illness or bereavement, that many will have

experienced. We have sought to maintain staff wellbeing and morale during the year, with monthly all-staff webinars across the national church institutions, and multiple other forms of engagement and help in different teams.

As well as the work streams mentioned above, teams also provided other forms of support. For example, webinars on aspects of evangelism and discipleship specific to the lockdown, or to the limited forms of church possible during the year, were remarkably popular, with several hundred attendees at many of them. The Education Office developed a new suite of resources for children's and youth ministry, as part of their Growing Faith work; they partnered very quickly with the new online Oak National Academy to provide assemblies, religious education, and other materials. The Ministry team had to move very swiftly to transfer all its season of Bishops' Advisory Panels online, while also accommodating a welcome increase in the number of candidates coming forward for selection. In parallel, they also provided support for Theological Education Institutions who were moving much or all their teaching onto virtual learning environments. The Cathedrals and Church Buildings team produced extensive

advice on making churches and other facilities Covid secure and maintaining them during the pandemic. They were also remarkably effective in helping churches, and the Church of England as a whole, to benefit from very substantial sums of funding through the Government's Cultural Recovery Fund.

The normal business of governance also changed because of the pandemic. In 2020 the Council supported four different manifestations of the General Synod: a conventional Synod at Church House in February; an informal meeting of Synod members online (facilitated by a small team in Church House) in July; a socially distanced physical meeting for a quorum of the Synod in September; and a full meeting of the Synod, able to do formal business, but meeting for the first time ever online, in November. In addition, the Council itself moved online, and met more frequently than in normal years; and the House of Bishops, which is supported by Council staff, met fortnightly and then monthly through the year, rather than the usual two meetings per year. Very little of the normal business of the Council was lost, however. Although every area of work had to move online, business as usual continued.

On safeguarding, the Independent Inquiry into Child Sexual Abuse published its final report into the Church of England and Church in Wales, and the Council is working hard on implementation of the Inquiry's recommendations, all of which it accepted. Work with survivors of abuse was significantly strengthened in 2020. The Safe Spaces initiative to provide a helpline and access to counselling and support for survivors finally

started its work. An interim support scheme for survivors in severe distress has also started. Work on redress is under way, as called for by the General Synod. And the Council made a commitment to enhanced independent oversight of safeguarding and is working on this in partnership with survivors.

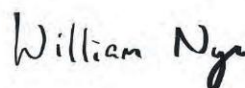
Work on Renewal and Reform continued, much of it through the work I have described above. It will provide a good foundation for the Emerging Church of England programme which began in 2020. Meanwhile, the Council continued to distribute grants to dioceses. Development Fund grants were awarded to 8 dioceses in 2020, and work began to provide Strategic Transformation grants for a number of dioceses. In addition, 2020 saw the first payments of Strategic Ministry Fund grants, to support initial curacies and to ensure that the larger number of ordinands emerging from theological education have places to minister.

On top of this, a number of new areas of work got under way. These have become known collectively as the "Emerging Church" programme. They include streams of work on a national vision and strategy for the whole Church of England, led by Archbishop Stephen Cottrell; work to examine and potentially reform the national governance structures, led by Bishop Nick Baines of Leeds; work on mutuality of finances between dioceses, led by Bishop Pete Wilcox of Sheffield; and a significant programme of work called Transforming Effectiveness, looking at what work and resourcing is needed at a national, regional, diocesan and local level, led by Bishop Martin Seeley of St Edmundsbury and Ipswich. Council staff support all of these areas of work, and the Coordinating Group, chaired by Bishop David Walker of

Manchester, that steers them.

More than ever this year, I am grateful to the Council's staff, and staff of the other national Church institutions, for their hard work, commitment, and resilience, and to Council members for their guidance and support. During the year two directors left the senior management team: Tashi Lassalle, the Director of Communications, and Melissa Gaslake, the Director of Safeguarding. I am very grateful to them for their work for the Council. I am also grateful to Mark Arena and Zena Marshall who are the acting Directors of Communications and Safeguarding, respectively.

There were changes to membership in the Council itself. Adrian Greenwood's term of office came to an end. Bishop Stephen Conway of Ely retired from the Council and as chair of the National Society. Archbishop Sentamu of York retired from his see and hence from the Council. They were replaced by Rachel Jepson, Bishop Paul Butler of Durham, and the new Archbishop of York, Stephen Cottrell, respectively. Maureen Cole also joined the Council at the start of 2020 and serves as Audit Committee chair. I am very grateful to Adrian and Bishop Stephen for their service and welcome the new Council members. In particular, I would like to thank Archbishop Sentamu, on behalf of all the Council's staff, for his remarkable service to the Church over so many years, and for his unfailing care and concern for the Council, its work, and for all its staff. We wish him and Margaret and all their family a very blessed and happy retirement.



William Nye, LVO
Secretary General

1 | Evangelism

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

2020 expenditure: £28.0m (2019: £24.0m) including grants of £25.1m (2019: £21.6m). Main grant scheme: Strategic Development funding 2020: grants to eight dioceses totaling £22.6m (2019: grants to 17 dioceses totaling £21.3m).

The suspension in public worship in March 2020 to prevent the spread of the Covid-19 virus marked the start of an unprecedented chapter in the church's history. Church buildings closed but the ministry and life of parishes continued using live streamed and pre-recorded services, online Christian enquiry courses and other worship online such as prayer groups.

Pre-recorded national online services coordinated and edited by the Council's staff received more than three million views in 2020. These services featured congregation members, key workers, such as NHS staff, teachers and supermarket workers and senior clergy including the Archbishops of Canterbury and York and the Bishop of London. The numbers viewing was further boosted with contributions from figures such as Prince William and Pope Francis. Research showed that the national online services were attracting people across the age ranges and regular churchgoers, occasional churchgoers and people exploring


faith. Around one in five were people who had previously gone to church infrequently or not at all. The online service alone on Mothering Sunday recorded in the crypt chapel at Lambeth Palace was estimated to have been seen or heard by around five million people, including listeners tuning in to BBC Radio or those seeing clips on news websites.

Social media content for the *Comfort and Joy* campaign for Advent and Christmas 2020 had nearly 36 million views. An animation was commissioned for the national Christmas advert to promote the campaign. Church House Publishing distributed more than 180,000 *Comfort and Joy* printed items between October and December 2020, helping *Comfort and Joy* reach an offline audience, with almost 127,000 copies of reflections booklets distributed in 2020, representing a 59% increase compared to 2019. The centrepiece of the campaign was the booklet containing Nine Lessons and Carols for Christmas, with contributions from the Archbishops and guests. The increase in the number of items distributed by churches was also accompanied by a drop in the overall cost to parishes, due to careful cost control and a reduction in the booklet price in 2020.

The Council also stepped up its work on evangelism through sports and well-being projects working

with dioceses. The National Sport and Wellbeing Project aims to ensure sports and well-being is not a marginal activity but key to the development of diocesan mission strategies. The Project Lead, Revd Natalie Andrews, began work mid-year to develop this work on sports and well-being pilot projects in Birmingham, Blackburn, Gloucester, Guildford, London (Kensington Area), Norwich and Rochester dioceses, aimed at reaching more people with the message of the Christian faith and promoting the wellbeing of communities. By the end of the year a 'learning community' had been launched, with representatives from the seven pilot dioceses and a team from Ridley Hall theological college in Cambridge, which developed a sports leadership training programme. During the pandemic, some churches in the pilots have been using the internet to foster engagement and community through physical activity. In a recent questionnaire given to the seven pilot dioceses, 27 missional initiatives around sport and wellbeing were mentioned (pre and during the pandemic) with more than 10,000 contacts through them. One diocese reported reaching 150 children and young people through community sports sessions, which were offered in both urban and rural settings during the pandemic.

Strategic Development Funding (SDF) supports major change



projects which fit with dioceses' strategic plans and make a significant difference to their mission and financial strength.

In 2020-22, SDF is being targeted towards promoting growth in the largest urban areas of the country and on one or both of younger generations and deprived communities. The agreed focus for the funding reflects the nature and scale of the key strategic challenges that face the Church, channelling the limited funding available towards people and areas in which the Church has long under-invested.

In 2020 SDF grants were awarded to eight projects in eight dioceses (Birmingham, Chelmsford, Durham, Liverpool, Manchester, Oxford, Winchester, and York) which will be drawn down over more than one year. See overleaf for details.

1 | Evangelism | continued



Birmingham

The project will revitalise ministry across parishes in deprived areas by investing in St Mary's church Pye Hayes and launching Gas Street: Shirley.

Awarded £0.96m towards project costs of £3.9m



Chelmsford

The project will renew mission in Newham deanery, which has high levels of ethnic diversity and deprivation and very low Church attendance levels, by investing in All Saints church, West Ham; the East Ham Mission and Ministry Partnership; St Luke's church, Canning Town; and the E20 church in the Olympic Park.

Awarded £3.0m towards project costs of £5.6m



Durham

The project will strengthen mission in deprived urban communities in South Tyneside, Sunderland, Hartlepool, Easington (East Durham former coalfields) and Stockton South by planting 14 replicable 'Communities of Hope' and investing in Stockton All Saints and Cleadon Park with St Peter's Harton to enable 6 new congregations.

Awarded £4.0m towards project costs of £5.8m.



Liverpool

The project will develop mission to the 'missing generation' of 11–29-year-olds in Liverpool and Wigan by creating a 'Liverpool Next Generation' network to undertake evangelistic activities in schools and city universities; investing in hubs at St James in the City and St Barnabas Penny Lane in Liverpool; creating a third hub in the northern end of Liverpool City Centre; and investing in a School of Discipleship to form young leaders.

Awarded £4.6m towards project costs of £5.2m.

Manchester

The project will grow the Church in the deprived urban areas of South Manchester (from St Weburgh's, Chorlton, in partnership with St Philip's Salford and the New Wine Network), Central Manchester (from The Ascension, Hulme, in partnership with HeartEdge and St-Martin-in-the-Fields) and in Rochdale (in partnership with the Church Revitalisation Trust and Church Army).

Awarded £5.0m towards project costs of £6.6m.



Oxford

SDF will invest in four large urban areas where church attendance is low: Milton Keynes (St Mary's, Bletchley), High Wycombe (St Andrew's), Reading (Greyfriars) and Slough (St Paul's) will deliver a programme of church planting and revitalisation. The programme will also develop fresh expressions of church, supported by a diocesan Development Fund. Awarded £2.0m towards project costs of £4.0m.



Winchester

The project will extend mission in the diocese's largest population areas through investment in Southampton City Centre (St Barnabas), West Southampton (St Winifrid's Totton) and in the western side of Bournemouth town centre (St Michael). The project will also invest in a learning community and network of church planters. Awarded £3.2m towards project costs of £8.1m.



York

The project will make new disciples and create new worshipping communities in the deprived areas of Middlesbrough, Scarborough, Cleveland/Redcar and Bridlington by training and mentoring parishes and local lay people to become effective in community evangelism and to equip lay pioneers to plant new worshipping communities.

Awarded £1.4m towards total project costs of £1.9m.



2 | Discipleship

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

**2020 expenditure:
£1.4m (2019: £1.2m).**

Work to encourage lay Christians to see their daily life as a vital part of the ministry of the Church continued over 2020. The *Setting God's People Free* programme expanded its Inspiring *Everyday Faith* network to 1,000 people receiving regular updates on available resources and stories of everyday faith. There were 68 'discipleship enablers' by the end of 2020, made up of diocesan staff or other Christian organisations who in turn used their networks to help host conferences and events and reach hundreds more people. We developed a programme of resources aimed at families and children, *Faith at Home*, with a focus during lockdown on materials for schools, churches, and households. Before lockdown, work was continuing on a network of 'Growing Faith' champions across all the dioceses with work in six 'trailblazer' dioceses: Coventry, Durham, Gloucester, Peterborough, Salisbury and Truro.

The Faith and Order Commission report *Kingdom Calling*, part of the *Setting God's People Free* programme, was published towards the end of the year, giving theological backing to a greater emphasis on the role that Christians have in all spheres of life. It called for a stronger emphasis on such social vocations as part of the collective ministry of the Church. The report was accompanied by a

social media campaign to tell the stories of lay Christians and their vocations in the workplace, home, church, and the wider community. Setting out the theological basis for the roles that lay and ordained followers play in the ministry in the Church of England, *Kingdom Calling* reaffirms the role of the laity in formal ministry roles and encourages lay Christians to see their roles in daily life as a vital part of the ministry of the Church and as contributing to seeking God's transformation across society.

The number of people seeking help with prayer through Council materials rose during 2020 with Church House Publishing (CHP) App downloads growing sharply on 2019 by 47%, to 110,000. The most spectacular growth came with the *Time to Pray* App, which includes simple daytime and night prayer services, and was made free to use at the start of the first lockdown. A new version of the App was launched in November in the form of a daily podcast with downloads growing to 21,000. There were more than 500,000 downloads of the *Time to Pray* podcast in total. Apps from CHP were used more than seven million times in 2020, up from five million the year before.

The Presidents of the Churches Together in England (CTE), including the Archbishop of Canterbury, issued a call to prayer at the start of the first lockdown to coincide with

Mothering Sunday. The Month of Prayer, also supported by the CTE Presidents, was launched during the second lockdown in England by the Archbishops of Canterbury and York and other church leaders, with prayers and other resources. This Prayer for the Nation was repeated in February 2021 during the third lockdown in England.

Meanwhile *Thy Kingdom Come*, the global prayer movement that invites Christians around the world to pray from Ascension to Pentecost for more people to come to know Jesus, adapted in 2020 to the coronavirus restrictions through online prayer groups and virtual prayer rooms. The movement also produced a range of digital resources including the Family Prayer Adventure Map and app for children and families.

Daily Hope, the free 24-hour phone line offering Church of England services, prayers and reflections was launched soon after the first lockdown, in April 2020, catering for people with limited or no access to the internet, and those with visual impairment, many of them regular churchgoers before the pandemic. Since its launch, Daily Hope has given hours of comfort and spiritual nourishment to the elderly, isolated and vulnerable, totalling five million minutes of listening time by March 2021 with nearly 400,000 calls.

The *#LiveLent – Care for God's Creation* campaign in 2020 was

aligned with the Archbishop of Canterbury's Lent Book, *Saying Yes to Life*, by Ruth Valerio. The campaign, including online resources, explainers and prayers for Holy Week and Easter and a Stations of the Cross audio series, helped people mark Lent and Easter from home. The Live Lent series from Church Housing Publishing sold more than 125,000 booklets, double the number for any recent Lent campaign. With public worship suspended at the time, a refreshed version of #EasterPilgrim – focusing on the Lord's Prayer – was also made available from Easter Day.

Baptisms, weddings, and funerals

The Council supported clergy facing the challenge of conducting funerals and ministering to the bereaved amid the changing coronavirus restrictions in 2020.

More than five thousand people attended seven webinars on new ways of ministering to the bereaved in unprecedented times. More than 25,000 printed 'service sheets' for people who could not attend a funeral were produced and supplied for free by the Council with prayers and suggestions as to how to pay tribute at home to someone who had died. The sheet was published at the start of the first lockdown in March 2020 for churches to give to people who could not attend a funeral. The Council also

provided the liturgy as a download and expanded an online facility for people to light a virtual candle in memory of those who had died.

Services for funerals at crematoria and at gravesides, alongside advice for clergy, was provided while church buildings were closed during the first lockdown. The Council also provided parishes with posters allowing people to access prayers and light a virtual candle using QR codes, a popular resource on All Souls Day.

We started a Funerals Symposium, a bi-annual meeting designed to reverse the decline in Church funerals, by sharing good practice and innovative ideas. The first two meetings were attended by senior representatives of all 42 dioceses and colleagues from the Church in Wales.

Support was given to churches in the form of resources and webinars to help them keep in touch with couples and families during a time of disappointment when weddings and baptisms had to be cancelled or postponed, and to help them conduct those weddings that did happen well. It was a particular encouragement that the first weddings that happened when lockdown eased on July 4 were church weddings.

3 | Ministry

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

“

When the clergy are supported, nourished and able to flourish, the whole church can flourish.”

Justin Welby,
Archbishop of Canterbury.

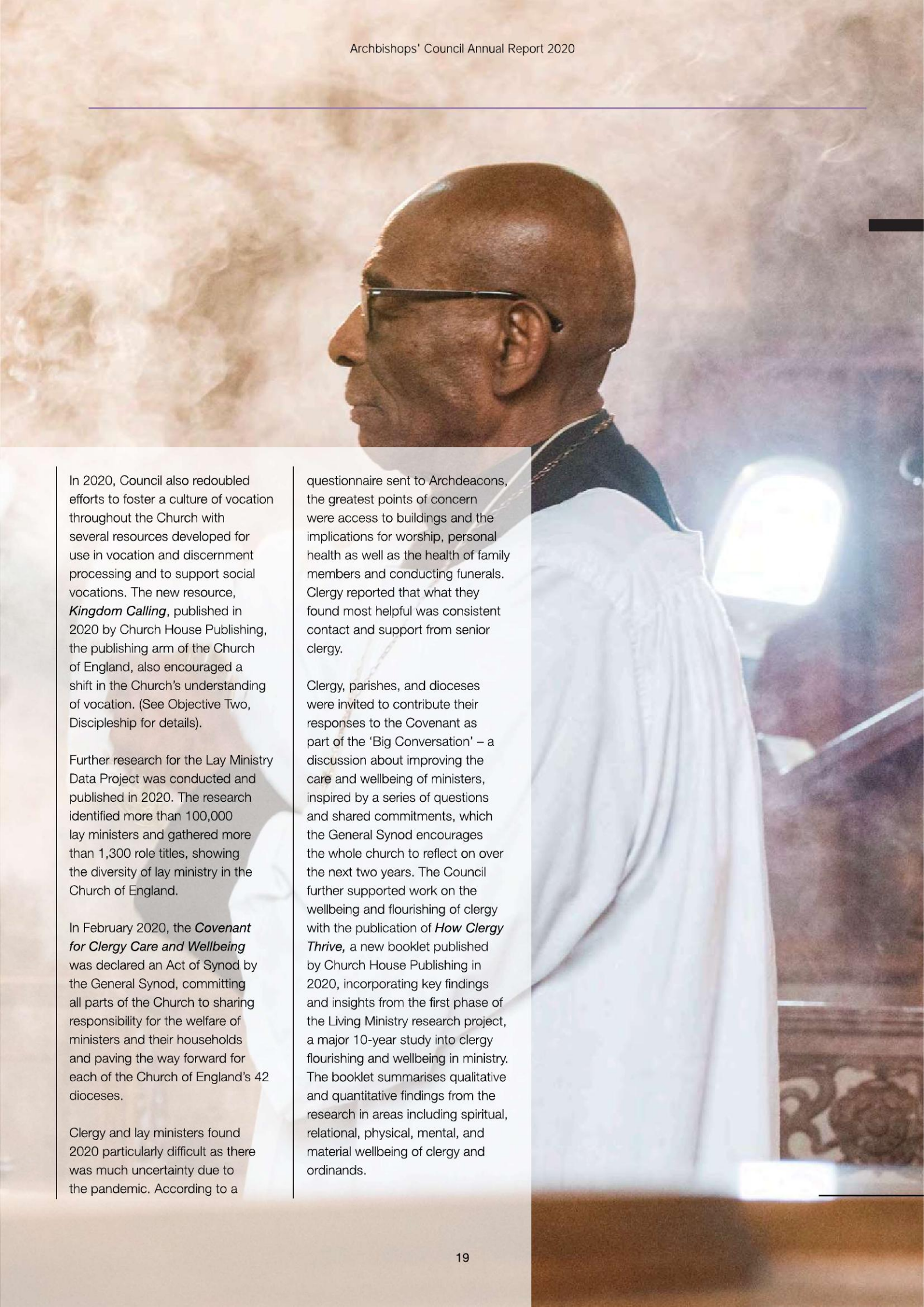
2020 expenditure: £66.4m (2019: £62.0m) including grants of £62.9m (2019: £59.0m). Main grant schemes: Lowest Income Communities Funding 2020: grants to 27 dioceses totalling £26.4m (2019: grants to 26 dioceses totalling £25.6m); Grants for Ministry Training 2020: £17.2m (2019: £17.1m).

In 2020, £26.4m of Lowest Income Communities (LInC) funding was awarded to 27 dioceses. LInC funding, introduced in 2017, is designed to support dioceses in developing mission and growth in lower income communities. As part of a package of measures designed to provide cash flow relief to dioceses during the pandemic, the Archbishops' Council and Church Commissioners paid all the remaining monthly LInC funding and Transition Funding to dioceses in receipt of the funding in one lump sum in April.

560 ordinands are due to complete theological training in 2021 and are on course to take up posts in the Church of England. There will also be curacy posts for the 150 people training currently for self-supporting roles. Despite the impact of the Covid-19 pandemic on church finances, the Council remains committed to maintain curacy numbers, and around

300 stipendiary curacy posts beginning in 2021 will be fully funded by dioceses and the Strategic Ministry Fund will part-fund an additional 110 stipendiary posts, with the Archbishops' Council approving a Strategic Ministry Board to administer the grants process. (The Strategic Ministry Fund was set up in 2019 to help ensure that dioceses can fund additional curate numbers to increase the number of candidates for ordained ministry).

In response to the COVID-19 pandemic in 2020, the Bishops' Advisory Panel process was also adapted to create the Temporary Online Discernment Process to ensure that clergy numbers can continue to grow into the future. In 2020, 591 people were recommended to ordained ministry, marking the highest in 13 years. 54 per cent of those were women and 10 per cent of minority ethnic heritage. This is an improvement on previous years, but the Council will to continue to work to ensure that clergy are representative of the diversity within the Church. The Council's Ministry Division worked to help the Church's Theological Education Institutions move all their training online during the first lockdown.



In 2020, Council also redoubled efforts to foster a culture of vocation throughout the Church with several resources developed for use in vocation and discernment processing and to support social vocations. The new resource, *Kingdom Calling*, published in 2020 by Church House Publishing, the publishing arm of the Church of England, also encouraged a shift in the Church's understanding of vocation. (See Objective Two, Discipleship for details).

Further research for the Lay Ministry Data Project was conducted and published in 2020. The research identified more than 100,000 lay ministers and gathered more than 1,300 role titles, showing the diversity of lay ministry in the Church of England.

In February 2020, the *Covenant for Clergy Care and Wellbeing* was declared an Act of Synod by the General Synod, committing all parts of the Church to sharing responsibility for the welfare of ministers and their households and paving the way forward for each of the Church of England's 42 dioceses.

Clergy and lay ministers found 2020 particularly difficult as there was much uncertainty due to the pandemic. According to a

questionnaire sent to Archdeacons, the greatest points of concern were access to buildings and the implications for worship, personal health as well as the health of family members and conducting funerals. Clergy reported that what they found most helpful was consistent contact and support from senior clergy.

Clergy, parishes, and dioceses were invited to contribute their responses to the Covenant as part of the 'Big Conversation' – a discussion about improving the care and wellbeing of ministers, inspired by a series of questions and shared commitments, which the General Synod encourages the whole church to reflect on over the next two years. The Council further supported work on the wellbeing and flourishing of clergy with the publication of *How Clergy Thrive*, a new booklet published by Church House Publishing in 2020, incorporating key findings and insights from the first phase of the Living Ministry research project, a major 10-year study into clergy flourishing and wellbeing in ministry. The booklet summarises qualitative and quantitative findings from the research in areas including spiritual, relational, physical, mental, and material wellbeing of clergy and ordinands.

4 | Common Good

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

“

We urgently need to rebuild our relationship with our planet. To do this, we need to change our habits – in how we pray and how we act.”

**Justin Welby,
Archbishop of Canterbury.**

Supported by Council staff, the Church of England bishops addressed a range of issues from child poverty and the scourge of modern slavery to reducing the destructive impact of gambling addiction. Furthermore, in 2020, our churches ran or supported thousands of social action projects across the country during the pandemic, ranging from food banks to chaplaincy phone lines and bereavement support.

On the environment

Through our environmental programme operating across 16,000 churches, 10,000 churchyards and 4,700 schools, the Council continued to take seriously our responsibility to address environmental challenges facing us today.

In February 2020, the General Synod announced an ambitious target for the Church of England to reach Net Zero carbon emissions by 2030, calling for urgent steps to examine requirements to reach this new target. This included drawing up an action plan to measure the baseline of current emissions, to understand the carbon footprint of some 40,000 buildings, and to monitor the progress towards achieving this goal. In April 2020, an Energy Footprint Tool was launched and rolled out to churches, following a rigorous trial of testing after its design in 2019. Despite the unprecedented challenges of

Covid-19, parishes, dioceses, and cathedrals demonstrated their urgency by completing the energy footprint tool and participating in a consultation on the scope of net-zero, demonstrating that more than 80 per cent of the average church's energy use goes on heating. The tool not only enables parishes to measure their carbon output and energy consumption but also provides advice on improvements to efficiency.

2020 marked the launch of our first 'green' Live Lent campaign: 40 daily reflections, actions, and prayers to encourage those taking part in the journey of caring for God's creation. Environmentalists, activists, and climate experts gathered at Lambeth Palace for the official launch in 2020, which also marked the first time that the Church of England Lent Campaign was fully aligned with the Archbishop of Canterbury's Lent Book. The #LiveLent booklet sales exceeded 125,000, across the two booklets.

On the housing crisis

The Archbishop of Canterbury's Commission on Housing, Church and Community, set up in April 2019, to explore the Christian perspective on housing policy with a focus on good homes and thriving communities – continued its work in 2020, supported by the Council's staff – to examine how

the Church of England can build on its own work in housing and contribute to the national debate on policy. The report was published in February 2021.

On gambling

In 2020, the Council continued work to lobby the Government in light of the widespread concern over the destructive impact on the lives of individuals and communities.

Following the announcement from the Gambling Commission that consumers will no longer be able to use credit cards to gamble from April 2020, the Bishop of St Albans, Alan Smith, supported by the Council's Mission and Public Affairs unit, led campaign efforts, for measures to further limit the harm done by seeking to change the inquest law to expose the scale of gambling role in suicide.

This follows on from previous campaigns to reduce the maximum stake on Fixed Odds Betting Terminals and to ban gambling with credit cards, subsequently incorporated into the Government's manifesto pledges.

On social action

In 2020, work continued on urging the government to lift the two-child limit in the wake of the sharp rise in new claims for Universal Credit caused by the coronavirus pandemic. The Council's Mission

and Public Affairs Division, together with the Child Poverty Action Group had previously conducted and published research on the impact of the two-child limit in tax credits and universal credit: *All Kids Count: the impact of the two-child limit after two years*. An estimated 230,000 families and 860,000 children have been affected over the past three years by the two-child limit – which prevents parents from claiming Universal Credit or child tax credit for a third or subsequent child born from April 6 2017.

On modern slavery

The Clewer Initiative, the Council's programme aimed at mobilising the Church of England's 12,000 parishes in the battle to eradicate modern slavery, support the victims and identify the signs of exploitation in communities continued in 2020, strengthened by the launch of the Farm Work Welfare App, aimed at preventing labour exploitation on British farms. Designed to provide a resource for both farm businesses and the thousands of workers who come every year to help with the harvest of fruit and vegetables on UK farms, the App helps to thwart the criminal networks by providing information on employment rights (in eight languages); practical information for farmers on licensed labour providers, document verification and the rights of workers; as well as helping users to easily report their concerns.

“

Victims of modern slavery are often kept by highly-organised, ruthless criminal gangs in remote locations. These gangs pose as legitimate labour providers offering a ready supply of workers to farmers and growers who may not always spot the signs of exploitation.”

Bishop Alastair Redfern,
Chair of the Clewer Initiative.

5 | Education

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

2020 expenditure: £0.9m (2019: £0.8m), including grants of £0.1m (2019: £19,000).

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

With one million students attending 4,700 schools, the Education Office supports the Archbishops' Council and the National Society, the original Church of England charity responsible for education, to advance the breadth of work across 12,600 parishes, Diocesan Boards of Education, schools, colleges and 11 Anglican foundation universities. Our vision is to equip a new generation of young people to shape society and contribute meaningfully to an increasingly complex and globalized world.

In a time of unprecedented challenge marked by the coronavirus pandemic, our schools remained open to the children of key workers and to vulnerable children and we are grateful to the staff, governors, and church leaders who worked hard to provide educational and pastoral support

for children in school and those who remained at home during the lockdown.

Faith at Home

Faith At Home – a specially designed programme to make prayer and discussions about faith a household habit – was launched in 2020, to support the faith development and pastoral care of children and young people. The programme helps to explore aspects of the Christian faith and uncovers key themes including courage, patience, generosity, resilience, love, and hope. A series of films and other resources have been created for home, school, and church settings, featuring contributions from students and leaders across the country, including the Archbishop of Canterbury, whose first national assembly was watched online by more than 60,000 people.

Church of England Rural Schools

With more than half of our schools situated in rural areas, we provide more than 70 per cent of rural schools nationally. In areas with high deprivation, rural schools face complex challenges, including difficulties with recruitment and retention of teachers and leaders.

In 2020 we launched a new

Rural Teaching Partnership with education charity Teach First and the Chartered College of Teaching. Trainee teachers trained by Teach First will start two-year placements with our primary schools in September 2021; and the Chartered College of Teaching will set up rural education networks for peer support. The partnership will run in ten pilot regions (Leeds, York, Truro, Salisbury, Chelmsford, Norwich, Oxford, Hereford, Derby, and Bath-and-Wells) across England.

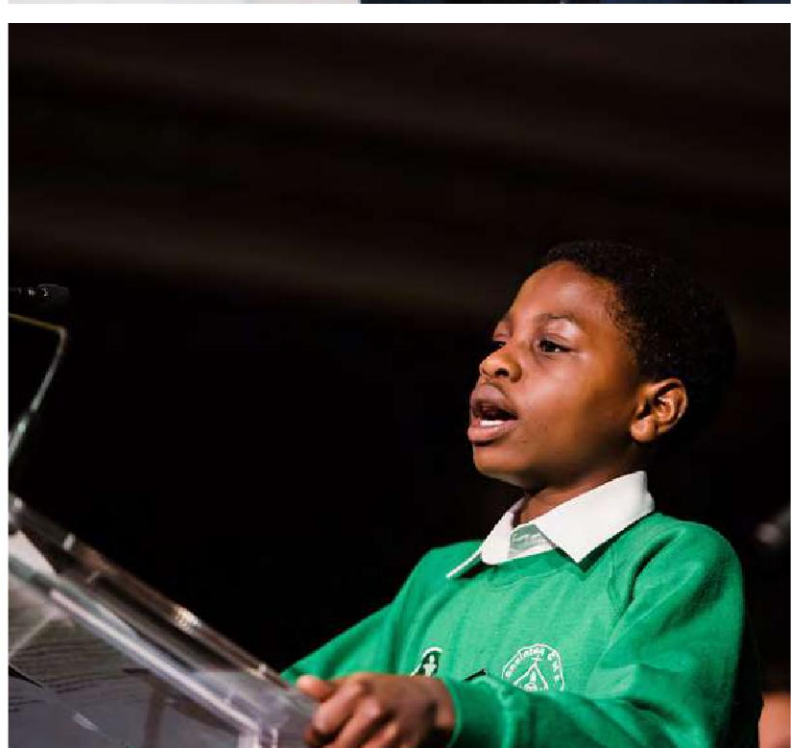
Diocesan Boards of Education Measure

In 2020, General Synod voted in favour of new legislation governing Diocesan Boards of Education (DBEs), overseeing, and supporting Church of England schools. The new DBE measure reflects the changes in the education system and legislation over the last decade, replacing the current 1991 Measure (last updated in 2006). It now goes forward for Parliamentary approval and Royal Assent.

“

The DBE Measure is the key piece of legislation establishing how the structures of the Church partner with the state in the delivery of education in England.”

Bishop of Durham, Paul Butler.



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

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



Church of England Educational Leadership

In early 2020 a major new resource for Educational leaders entitled, *Called, Connected, Committed*, was published, and launched at our largest ever Education Conference, attended by more than 800 adults and students. The new guidance draws on the Church of England's Vision for Education, and consists of 24 Leadership Practices, developed with input from students and education leaders across the country, offering structured reflections and questions to support leadership development.

Vision for Higher Education

2020 saw the launch of a new Vision for Higher Education. Inspired by the key values of wisdom, community, virtue and the common good, the Vision explores how these contribute to an understanding of religion and faith perspectives in the context of higher education today. The Vision is designed to encourage leaders across the higher education sector to re-examine its purpose afresh, enrich understanding with a Christian perspective, illuminate the values, and inspire transformative action.

“

Higher Education is at a crossroads. Shaping its overall vision is therefore as crucial as the issues of funding and governance and of recognising anew its contribution to social mobility and economic prosperity.”

Bishop Tim Dakin, lead bishop for Higher Education.

Church of England Educational Leadership

Called: Leaders have a strong sense of personal vocation to their role.

Connected: Leaders operate deliberately within communities that sustain and encourage all parties.

Committed: Leaders show energy and passion, inspiring confidence, and faithfulness in their teams.

6 | Resources for the Church

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

2020 expenditure:

£42.0m (2019: £3.9m), including grants of £39.7m (2019: £1.2m). New grant streams introduced in 2020: Sustainability Funding (grants awarded to 24 dioceses totalling £14.9m); Strategic Transformation Funding (grants awarded to 15 dioceses totalling £11.4m); Cathedrals and Major Churches grant scheme (grants awarded to 68 cathedrals and major churches totalling £9.9m) and the National Giving Strategy (grants awarded to 11 dioceses totalling £1.5m).

The Council provided specialist resources to churches and dioceses over a range of areas, including ministry, mission, and finance matters in response to the evolving challenges of the pandemic.

As part of a package of measures to support dioceses and, through them, parishes, during the Covid-19 pandemic, the Council worked with the Church Commissioners to create a new grant funding stream – Sustainability Funding – in June 2020. The Commissioners agreed to make up to £35m available for Sustainability Funding with the aim of maintaining some short-term financial stability for dioceses as they implement or develop their strategies for long-term mission health and financial stability.

In 2020 the Council provided Sustainability Funding grants

totalling £14.9m to 24 dioceses to help them fund their net loss of income resulting from the impact of COVID-19. The funding was targeted on dioceses with less investment assets and less affluent populations.

The impact of the pandemic on dioceses' income in 2020, whilst significant, was still less than originally feared. However, as the pandemic and restrictions to reduce its impact continue, there is concern amongst dioceses that 2021 may be an even more difficult year financially. Further Sustainability Funding will be distributed as needed in the second half of 2021 when the overall impact on dioceses' finances is clearer.

In 2020, the first grants were made from the new Strategic Transformation Funding (STF) stream. This fund supports dioceses facing financial difficulties wishing to undertake major restructuring programmes 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. STF awards are also made to dioceses to support them in increasing their capacity to develop and deliver strategic change. In 2020 15 dioceses received funding of £11.4m which included the first major grants totalling £5.7m to support Sheffield diocese's

plans for significantly increased engagement with young people, growth in deprived areas, new congregations across the diocese, and sustained improvement in parish share. Work is also underway with other dioceses on their plans for transformation and potential applications for STF. As part of the spending plans for 2020-22 agreed by the Council and Church Commissioners, the Commissioners plan to make a further sum of up to £32.6m available for STF grants in 2021-2022.

We also provided strategic consultancy advice to diocesan senior staff and updates on how Church organisations could access the relevant financial support packages developed by the government.

To assist local churches in their planning and decision-making during the coronavirus pandemic, a comprehensive set of online resources and documents was created, continually reviewed, and updated throughout 2020, in light of evolving Government guidance. This was accompanied by a weekly online seminar for Dioceses and Cathedrals, which included briefing sessions on advice, information, and guidance about new measures to limit the spread of coronavirus, with live Q&A.

The *A Church Near You* (ACNY) website, providing mobile-friendly access to information about church services continued to grow as a key strategic platform for the Church in 2020, continuing its work to encourage parishes to make details of their services and events accessible online, with 17,000 services registered with the website by December. Free hymns and worship music were also provided through the website, with 750,000 downloads by the end of the year by parishes for use in online services. At the same time, the Council stepped up its training programme for parishes and dioceses to help those churches in need of support and advice on the practicalities of online worship, social media, and digital strategy as well as seasonal campaigns. By the end of the year, almost 7,000 clergy and local church leaders had taken part in digital training courses either remotely or in person.

The Pathways service, set up with funding provided by the Council in 2017 to enable and support recruitment, continued to be developed technologically, with work undertaken in 2020 to advance the clergy application process – streamlining the user journey for both the candidates and for those recruiting.

Work continues on the development of the National Register of Clergy. The Council's staff worked rigorously with representatives from each diocese to bring together people data, systems, and processes from across the Church of England. Building the framework of this substantial system was subject to six rounds of testing. Regulations covering the information published was passed at General Synod in November

2020, which will now allow the Register to go live in 2021. This will meet an important commitment to a publicly available register of clergy, as recommended by Dame Moira Gibb in her safeguarding lessons learned review into the late Peter Ball.

2020 also saw the launch of new set of resources on parental leave, outlining the support available for those in ordained ministry, and those training for ordination. The new resources will aid bishops, archdeacons, Diocesan Directors of Ordinands, and Principals of Theological Education Institutions – with clear guidelines and recommendations in a range of areas, including in situations where people move between dioceses or roles or where they are in training for ordained ministry and become parents.

Meanwhile, the previously secured extension of Government's Listed Places of Worship Grants Scheme (LPWGS) was ongoing through 2020 (until 2021, now extended again to 2022) paying grants equal to the VAT incurred on repairs such as urgent structural work, subsequently reducing the fundraising burden on churches and congregations.

The Council's Cathedral and Church Buildings Division (CCB) worked to address the issues of the pandemic and lockdown, liaising closely with government, and working with the heritage and tourism sectors to assess and represent the needs of parishes and cathedrals. As part of this the Council secured a £10 million grant from the Culture Recovery Fund, which in turn is supporting capital repair projects at 68 cathedrals and major churches to help them undertake capital

repair works to nationally important heritage properties. This is part of more than £30 million that Church of England churches and cathedrals successfully applied for from the government fund, which has now been extended for a second round of revenue support funding in 2021. CCB also continued to provide support and advice to parishes on faculty applications and to administer conservation grants programmes, focusing on conservation of historic interiors – whilst administration of the Wolfson Foundation funds for fabric repairs of churches formally moved to the National Churches Trust, resulting in a simplified funding application process for fabric repairs.

In 2020, 'Generosity Week' resources were launched for parishes and dioceses to help enable churches grow their ministry for future generations. The resources comprised service content packs; liturgy; group study materials; biblical reflections; discussion questions and social media toolkits. Seeking to encourage a generous culture within churches, Generosity Week was initially created in response to the fall in church income during the pandemic. Additional resources are being developed for 2021, as part of the wider National Giving Strategy for 2020-2025, which will include expanding the resources for parishes on giving – including training for clergy and laity and guidance on digital giving. During the year 11 dioceses were awarded grants from the Giving Advisor Fund, which was created as part of the National Giving Strategy. This fund supports dioceses by part-funding additional diocesan giving advisors, who provide advice and guidance to parishes on encouraging giving and generosity.

7 | Safeguarding

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

2020 expenditure: £4.2m (2019: £3.9m), including grants of £0.4m. Two new grant schemes were introduced in 2020: the survivor support scheme (grants to ten survivors totalling £267,000), and grants to 7 dioceses totalling £126,000 to help meet the costs of Past Cases Reviews.

The Council's National Safeguarding Team (NST) has, like all parts of the National Church Institutions, had a challenging year due to the COVID-19 pandemic. With the team expanding to meet the demands of a critically important programme of work to continue the improvement of the Church's response to current and historic issues of concern, the leadership team has needed to be agile and creative to ensure active engagement with all levels of the Church structure and key external stakeholders, especially the survivors of Church-related abuse. Inevitably some key work streams have been significantly affected, most notably the second Past Case Review process (PCR2) which has been severely delayed due to the challenges of accessing paper files. With PCR2, the Independent Inquiry into Child Sexual Abuse (IICSA) and Lessons Learned Reviews focusing on historic issues, it has been important to maintain focus on proactive and preventative work. The team has been innovative in developing and delivering training at all levels, in a time of national pandemic.

The key outcomes from the Council's National Safeguarding Team's work in 2020 are grouped in thematic areas, below, for clarity:

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

- **Safe Spaces Helpline project launched:** This partnership initiative with the Catholic Church in England and Wales and the Church in Wales was launched in September 2020. The helpline is managed and staffed by an Independent partner, Victim Support. Initial feedback from service users is positive. A full independent evaluation is scheduled for 2021.
- **Survivor Support Scheme:** In response to the call at General Synod in February 2020 for progress on redress, an interim scheme was launched to provide support to survivors in crisis, with urgent and immediate needs. The scheme has provided several survivors with significant practical and financial help. The scheme is deliberately not a full redress and compensation scheme. It is part of the Church's duty of care and love to respond well to survivor needs at crisis points in their lives.
- **Proactive communication with survivors:** The Survivors Reference Group is meeting

regularly. In addition, care is taken to ensure that survivors are contacted and supported when there are news releases or review reports issued that could be negative triggers for survivors.

- **Restorative Practice:** Policies on responding well to and engaging with victims and survivors of abuse are being revised and the menu of options of response expanded to better meet survivor needs.

Proactive and Preventative work:

- **Expansion of the Lead Safeguarding Bishops Team:** To reflect the increasing demand and comprehensive change agenda of safeguarding in the Church, the Lead Bishop Jonathan Gibbs is now supported by two additional Bishops. Bishop Jonathan is the overall strategy and policy lead, Bishop Debbie Sellin leads on survivor engagement, and Bishop Viv Faull acts as liaison with Diocesan Bishops and the Anglican Communion world-wide. The Bishops are now supported by a full-time safeguarding Advisor.
- **Safeguarding Training and Development:** The initial training courses (C0 and C1) are now delivered online and have been significantly re-

designed to improve content and comprehension. The Senior Leadership Training (G4) has been comprehensively re-designed to a Virtual Senior Leadership Pathway, which will be delivered across all Dioceses in 2021-2022.

- **National Safeguarding Panel:** This continues to be an important body which independently scrutinises a topic area at each meeting and makes recommendations for improvement or action. The panel is chaired by Meg Munn, supported by a funded consultant safeguarding advisor.

Dealing with the Church's non recent safeguarding failures:

- **Responding to IICSA recommendations:** The Independent Inquiry into Child Sexual Abuse (IICSA) published its final report into the Church of England and Church in Wales in October. Its report included six recommendations aimed at the Church of England, which were accepted in full by the House of Bishops and Archbishops' Council. Implementing the recommendations, will require significant change in the governance and structures of safeguarding in the Church. The most significant changes will be the development of independent oversight of the National Safeguarding Team,

and the change from Diocesan Safeguarding Advisors to Diocesan Safeguarding Officers.

- **Past Cases Review 2:** The delays to completing this project caused by the pandemic have been used positively to review and revise the reporting template for Dioceses. This will ensure that all Dioceses' reports will be in a common format that will benefit learning of where improvement is needed, and, more positively, identification of best practice from the process which will influence future change.
- **Redress Scheme:** Following the recommendation from General Synod, February 2020, the project to design a Redress Scheme for survivors of Church-related abuse has commenced. The project lead has been recruited and development will be ongoing through 2021.
- **Lessons Learned Reviews:** The review report on Bishop Whitsey of Chester was published in October 2020. The reviews of the John Smyth and Trevor Devamanikkam cases are continuing and are scheduled for publication in 2021.

Improving Safeguarding Practice in the Church:

- **National Case Management System:** To achieve a cohesive reporting and

recording system for safeguarding allegations at all levels of the Church, a project has been developing a system specification in consultation with key stakeholders, with a view to this being implemented by the end of 2021.

- **Policy Revision:** To address changes in legislation and the IICSA recommendations, all safeguarding policies are being reviewed. Several policies have been revised through consultation with key stakeholders including survivors and the results published and publicised to the wider Church. This work is ongoing to ensure all policies are fit for purpose.
- **Audit and Review:** The Social Care Institute for Excellence audit programme of Cathedrals and Dioceses has been able to continue despite disruption caused by the pandemic. The programme is highlighting significant improvements in safeguarding practice and responses to allegations at all levels in the Church.
- **Quality Assurance:** A framework for quality assurance of safeguarding practice is being developed. This work is closely linked to the development of the independent governance of the National Safeguarding Team and the changes to the Diocesan Safeguarding Advisor role. Implementation will be within the phased changes in governance.

8 | Governance for the Church

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

2020 expenditure: £2.4m (2019: £2.5m).

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

Governance to further the Church's mission

In 2020, governance for the Church operated in the context of pivoting to accommodate the shifting realities brought forth by the COVID-19 pandemic and actively planning, preparing, and coordinating responses to the continually changing restrictions. The work of the *Emerging Church of England* began before the coronavirus pandemic but intensified in light of the unprecedented circumstances of 2020.

The Archbishops established a programme of work to enable the Church to plan for the 2020s, and to respond to the impact, short-term and long-term, of the pandemic. There are four main strands of this work, which is together called *Emerging Church* – Recovery, Vision and Strategy, Governance, and

Transforming Effectiveness. The work is overseen by a Coordinating Group, made up of members of the Church Commissioners, the Archbishops' Council, and the House of Bishops. The work of the groups is supported by staff of the Archbishops' Council, and staff of the other National Church Institutions. In 2020:

The *Recovery* Group was established to manage the Church's immediate response to the pandemic, and to prepare for recovery. It was supported by a Gold-Silver-Bronze structure of staff, other Church leaders, and outside experts. Chaired by the Bishop of London, the Recovery Group produced extensive guidance around COVID-19, including risk assessment templates, advice on funerals, weddings, baptisms, prayer and worship, closure and reopening of churches. The guidance was continually reviewed, revised, and updated according to the ever-evolving national situation and restrictions, in line with guidance from Government and Public Health England.

The *Vision and Strategy* Group, led by the Stephen Cottrell, Archbishop of York, began work on determining the key strategic priorities for the next ten years. Following extensive work and consultation with bishops, diocesan secretaries, young people, and others in the

Church, the Archbishop of York, Stephen Cottrell, presented the first version of a Vision for the Church of England in this decade to General Synod in November 2020.

The diagram (overleaf) illustrates the shape of the vision and its strategic priorities from the period of consultation. The vision encapsulates the Church of England's calling to be a Christ-centred and Jesus-shaped church that is simpler, humbler, and bolder. It identifies three strategic priorities for the Church around being a church of missionary disciples, a church where the mixed ecology of many forms of church are the norm, and a church which is younger and more diverse.

The *Governance* Group, led by the Bishop of Leeds, began reviewing the effectiveness of the national governance structures of the Church of England, and will make recommendations to the Archbishops and governance bodies for possible changes, to deliver simpler governance structures that improve processes and activities. The Review Group is expected to report with some final recommendations to the Church's national governance bodies in the summer of 2021, with further decisions and implementation expected to follow in the autumn of 2021.

Transforming Effectiveness, led by the Bishop of St Edmundsbury and Ipswich, began work to realign the operating models of the National Church Institutions, to improve how the national Church institutions work with dioceses and in support of the Church, to better enable the Church of England to serve God's mission. It shared its initial findings in December 2020, detailed design and planning work to deliver changes will be done in the first half of 2021 with delivery in the second half of 2021 and 2022.

Governance to modernise the Church

2020 saw the first official meeting of General Synod ever to take place online. Between 23 to 25 November 2020, General Synod met remotely for the first time, after legislation was passed to enable Synod to scrutinise and pass legislation online, allowing key business to proceed.

To make this possible, a special session of General Synod was held in London on 24 September to approve the new Remote Meetings Measure, amending Synod's standing orders to allow Synod to transact its business remotely, in response to the coronavirus pandemic.

The annual residential meeting of Synod due to take place in

York in July 2020 was cancelled in response to the restrictions on public gatherings due to COVID-19. As Synod was not at that stage able to operate online, instead a single day-long informal online meeting for Synod members was held, but it was not a formal sitting of Synod and could not pass legislation.

The term of the current General Synod was extended for a year under a provision in the Coronavirus Act 2020. The planned elections to the General Synod which were due to take place in the autumn 2020 will now take place in the autumn 2021.

Governance to streamline the Church's operational efficiency

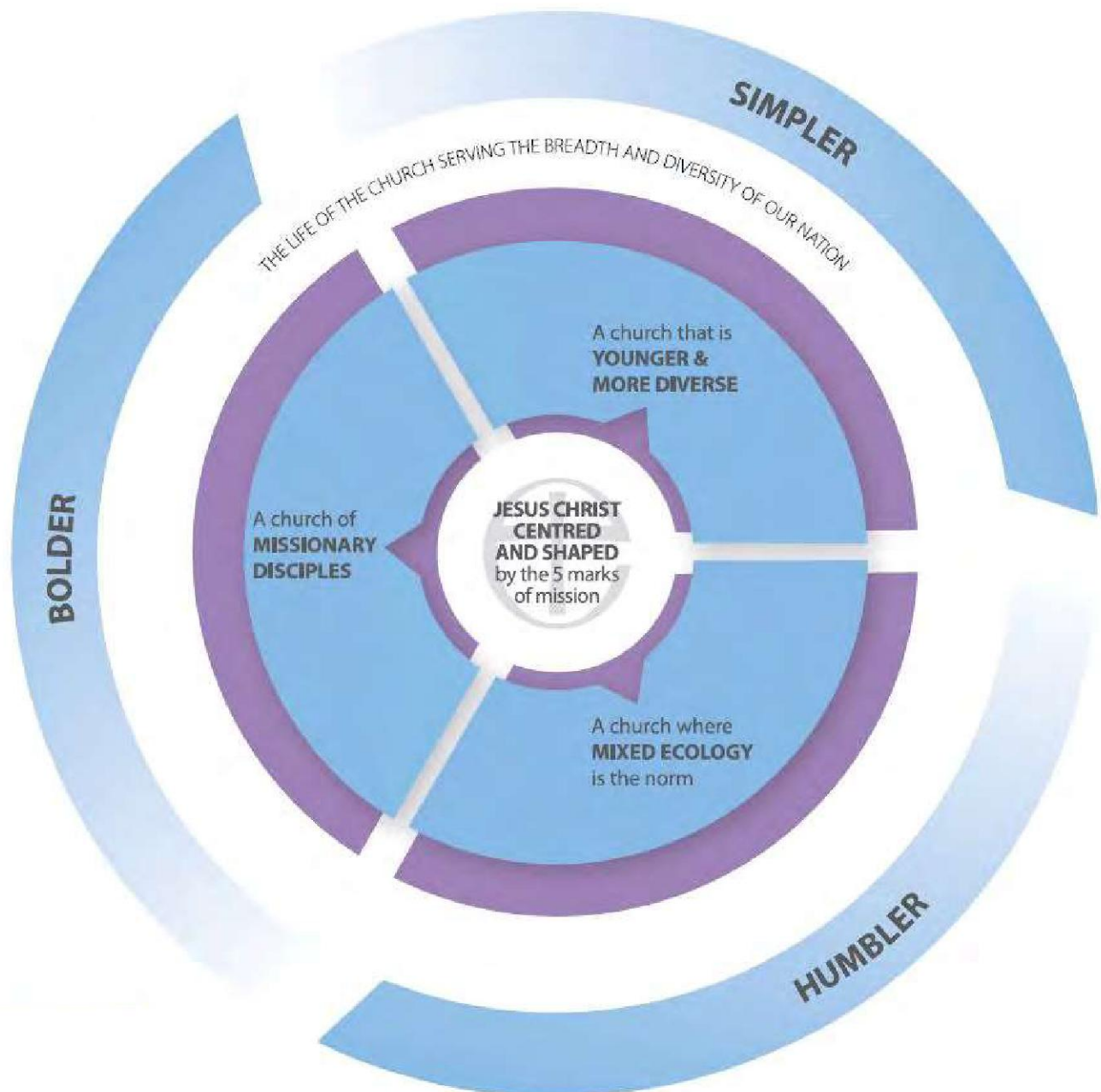
In November 2020, the Cathedrals Measure, new legislation to strengthen the governance structures and operational frameworks for England's cathedrals, received final approval by the General Synod.

The Measure was referred to Parliament and will come into force upon receiving Royal Assent. The Cathedrals Measure brings into legislation recommendations first brought to Synod in July 2018, following extensive consultation and a report by the Cathedrals Working Group, set up by the Archbishop of Canterbury. The Measure will help to safeguard cathedrals for the

future, supporting and enabling the unique role they play in our cities, communities, and dioceses. The Measure also sees Cathedrals come under Charity Commission regulation, ensuring they are in line with best practice elsewhere in the third sector.

In 2020, General Synod also approved recommendations by the Archbishop's Commission on the relationship of the Channel Islands to the wider Church of England including the transfer of episcopal oversight of the Islands to the Bishop of Salisbury. This now goes forward to the next stage including consideration by the Island authorities, with a view to approval by the Privy Council.

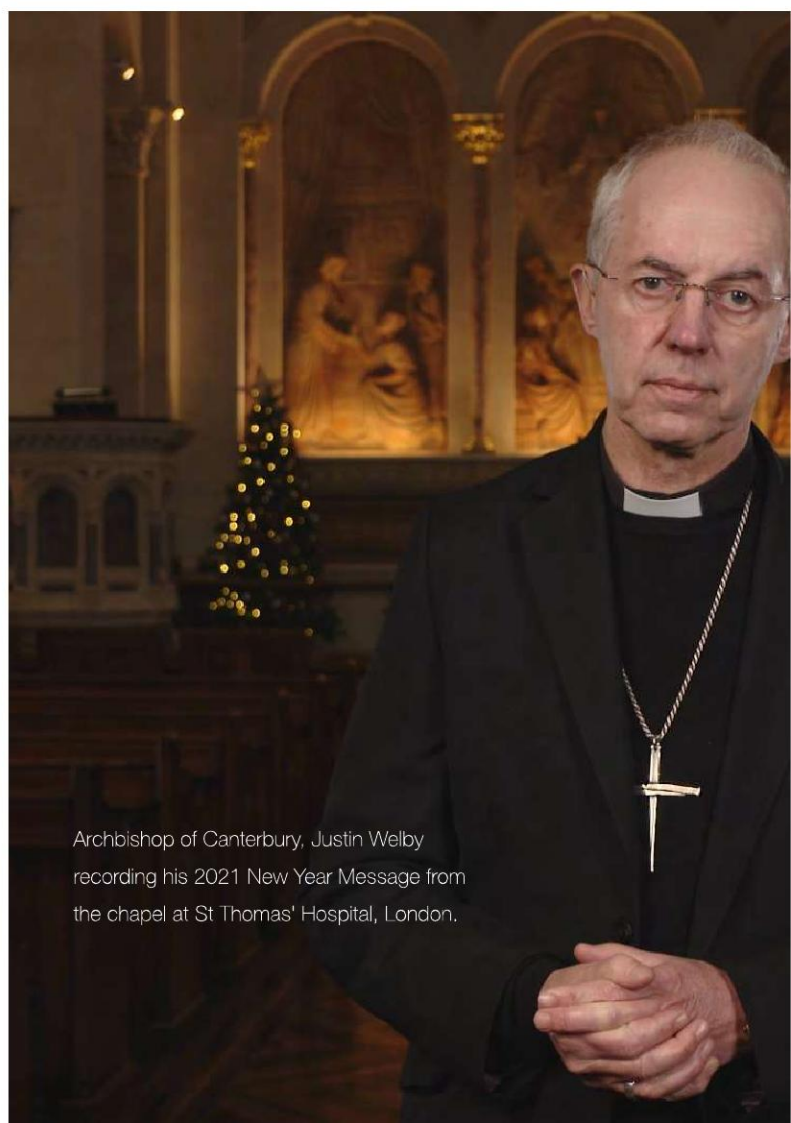
8 | Governance for the Church | continued



"If anyone is in Christ, there is a new creation"
(2 Corinthians 5:17)



Confirmation of Election in July 2020



Archbishop of Canterbury, Justin Welby
recording his 2021 New Year Message from
the chapel at St Thomas' Hospital, London.

9 | A Church for All People

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

“

We did not do justice in the past, we do not do justice now, and unless we are radical and decisive in this area in the future, we will still be having this conversation in 20 years' time and still doing injustice.”

Justin Welby,
Archbishop of Canterbury.

2020 expenditure: £0.6m (2019: £0.6m)

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

On Race and Ethnicity

In February 2020, General Synod voted unanimously to apologise for the conscious and unconscious racism experienced by black and minority ethnic (BAME) Anglicans, since the arrival of the Windrush generation in 1948 and in subsequent years, when seeking to find a home in the Church of England. General Synod members additionally voted to redouble efforts to combat racism and to work towards greater participation of BAME Anglicans in all areas of Church life.

Amid rising concern about insufficient progress towards racial justice and equality within the Church of England, in 2020, an Anti-Racism Taskforce was appointed to carry out the preliminary work needed in preparation of work of the Archbishops' Racism Action Commission, which will formally commence in 2021. The Commission has been set up to

implement and drive forward the significant cultural and structural change needed to ensure racial equality in the Church, and to monitor the pace of progress.

The Archbishops' Anti-Racism Taskforce examined more than 160 recommendations made since 1985 on racial justice in the Church of England. (The majority made in reports from the Committee for Minority Ethnic Anglican Concerns, CMEAC, and its predecessor, the Committee on Black Anglican Concerns). Making recommendations for immediate action to improve racial justice and equality, the Taskforce additionally invited church organisations to identify specific actions with identified outcomes and clear lines of timetabled accountability (at national, diocesan or parish level) that could be taken to ensure greater racial equality in the Church of England.

In 2020 the Council responded to the issues around commemoration and memorialisation of figures linked to contested heritage that were raised by the Black Lives Matter protests and the destruction of the statue to Edward Colston in Bristol. This work developed a programme of action to consider how the Church might approach monuments, statues, and buildings with links to the transatlantic slave trade, recognising our past failure to do so. There was an initial focus

on individuals who participated in systemic and targeted discrimination or exploitation based on race, but at the request of parishes and dioceses this was expanded to consider other contested heritage. The Church of England's 16,000 churches and 42 cathedrals are home to memorials and monuments to individuals from a period spanning more than a thousand years. The Council's approach is to develop a framework for decision-making and guidance on engagement, focused on facilitating conversation, expanding stakeholder engagement and representation, and offering advice and support to numerous churches now confronting the complex challenges of the past and the reality of its impact on the present.

On Human Identity, Sexuality and Marriage

The *Living in Love and Faith* (LLF) resources on identity, sexuality, relationships, and marriage were launched on 9 November 2020. Drawing together insights from the Bible, theology, the sciences, and history with powerful real-life stories, the LLF resources – which comprise a 480-page book, a series of films, podcasts, an online library, and a five-session course – have been designed to facilitate church-wide learning and engagement. By the end of 2020, several dioceses had appointed 'LLF Advocates', enabling diocesan-

wide participation in using the LLF resources to learn together. Some dioceses held 'LLF Taster Days' for clergy and lay ministers, inviting people to reflect on their learning in ways appropriate to local contexts, with many more scheduled for 2021. By the end of 2020, there were approximately 4,000 registrations for the online LLF learning hub and approximately 130,000 views of the LLF pages on the Church of England website, whilst the LLF book was reprinted after selling out within the first two weeks, triggering Church House Publishing's highest ever month for online book sales.

A group of bishops, chaired by the Bishop of London, Sarah Mullally, will lead the 'Next Steps Group', tasked with encouraging and supporting churches engaging during 2021. Beyond 2021, it is envisaged that learning and engagement with the materials will move to discernment and decision-making and potentially synodical processes.

On Social Deprivation

A fifth of the Church of England's 12,500 parishes are 'estates' parishes. In 2020, Estate Evangelism work continued with dioceses, despite the slowdown of working against the backdrop of the pandemic. By the end of 2020, around £56.2 million (£46 million at end of 2019) of Strategic

Development Funding (SDF) had been awarded to support mission in deprived areas, representing around 38 per cent of the overall funding (33 per cent at end of 2019) – stimulating fresh energy, vision, and resources, reversing the trend of neglect and withdrawal, and training future church leaders to revive the Christian faith. See section on Evangelism for more details.

Earlier in the year, in February 2020, the Council had championed a 'Day of Prayer for Estates' to mark the first anniversary of the Church of England General Synod motion commending ministry on estates.

On Disability

In 2020 the Committee for Ministry and Mission among Deaf and Disabled People (CMDDP) restructured its work to clarify different parts of its brief, including addressing better inclusion of deaf people in church life, campaigning and consciousness raising around disability issues. In response to the Covid-19 pandemic, the Council's National Disability Adviser also worked closely with the Recovery Group to ensure that the perspectives of disabled people are fully realised, and those dimensions captured in the national guidance to parishes. The Adviser also prepared several theological resources for use in parishes, to bring scriptural and theological insights to bear on disability.

The Council's Plans for 2021

1 | Evangelism

Objective: to bring more of the people of England to the faith of Christ through the Church of England. Our priority in this area in 2021:

In response to COVID-19:

- To further develop online support for church leaders through webinars and podcasts.
- To continue the national weekly online Sunday service provision and train 6,000 local church leaders on social media use.
- To support clergy and dioceses with advice, support and resources for Life Events and bereavement issues

As part of the Emerging Church of England work:

- To help develop and resource the strategic priorities of missionary discipleship, mixed ecology, and a younger and more diverse church.

General – subject to review through Transforming Effectiveness:

- To develop Lent 2021 resources integrated with the Archbishop of Canterbury's Lent book on evangelism.
- To have developed the *Leading in Evangelism* course for church leaders and *Everyday Witness* materials for church members.
- To have awarded SDF grants to dioceses for further projects targeted on the largest urban areas, younger generations and/or deprived communities.
- To develop more *Thy Kingdom Come* resources for children and young people.

2 | Discipleship

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

Our priority in this area in 2021:

In response to COVID-19:

- To work through the Disciple Enablers Network to refresh the *Everyday Faith* resources.

As part of the Emerging Church of England work:

- To implement the strategic priority of a Church of missionary disciples.

General – subject to review through Transforming Effectiveness:

- To launch a fully functional *Everyday Faith Connect* digital resource platform.
- To continue work on the Disciple Enablers Network and identify 500 'enablers' by developing regional and sector networks (i.e., Christians in business).
- To build on the *Kingdom Calling* report, working with TEIs to embed the vision within Initial Ministerial Education and Continuing Ministerial Development.



3 | Ministry

Objective: to ensure there are sufficient ordained and lay ministers of the required gifts and qualities, who are effectively deployed to enable the Church of England to fulfil its mission, and to support those ministers in their calling, development, ministry, and retirement. Our priority in this area in 2021:

In response to COVID-19:

- To develop a shared, forward-looking national understanding of the supply-demand balance regarding ministerial vocations, to assist diocesan and national ministry planning and deployment.

As part of the Emerging Church of England work:

- To progress the Resourcing Ministerial Formation project towards the realisation of a national and regional TEI sector that is financially sustainable and serves lifelong education.
- To work with the Archbishops' Anti-racism Commission to scrutinise and improve vocational, discernment and formational processes.

General – subject to review through Transforming Effectiveness:

- To design and implement the new framework and processes for discernment and to integrate psychological assessment into the discernment processes.

4 | Common Good

Objective: to contribute to transforming our society and communities more closely to reflect the Kingdom of God through loving acts of neighbourliness and service to all. Our priority in this area in 2021:

In response to COVID-19:

- To ensure that the knowledge and expertise developed through the COVID-19 response work in 2020 is built into the Emerging Church agendas for the post-COVID-19 realities.

As part of the Emerging Church of England work:

- To develop mutual support structures with World Mission Agencies and Companion Links.

General – subject to review through Transforming Effectiveness:

- To launch the Social Impact Investment Fund.
- To build chaplains into the Pathways scheme to widen recruitment and central records.
- To raise effectiveness in Parliament through closer support work with the Lords Spiritual.
- To continue to promote Freedom of Religion and Belief and Christian representation.
- To support lead bishops in campaigning against poverty and for better provision.
- To continue to resource lead bishops in medical ethics and against Assisted Suicide.
- To produce advice, including interactive webpages to support the net zero carbon target.

The Council's Plans for 2021

5 | Education

Objective: to promote high quality Christian education in Church of England schools and voluntary education settings, and through our Church contribution to other schools, colleges, further and higher education institutions. Our priority for this area in 2021:

In response to COVID-19:

- To ensure that school policy developments introduced in the wake of COVID-19 enable the Church to continue its role in the provision of Christian education through our schools.

As part of the Emerging Church of England work:

- To support the implementation of the 'younger and more diverse' strategic priority, by engaging with dioceses, churches, schools, and other partners:
 - to develop more opportunities to hear the voice of children and young people, through our National Younger Leadership Groups
 - to lead networks and programmes and produce resources that promote Faith at Home and Growing Faith, and
 - to shape development of diverse, representative educational leadership.

General – subject to review:

- To train 100 new teachers through our Rural Teaching Partnership pilot.
- To provide leadership development programmes as a Department for Education (DfE) accredited national provider of National Professional Qualifications.
- To position the Church as a significant national partner in technology, science, and skills working with the Department for Education.

6 | Resources for the Church

Objective: to help dioceses and cathedrals to be most effective in their mission, by providing cost-effective national and specialist services and advice. Our priority in this area for 2021:

In response to COVID-19:

- To support delivery of grants from the government's COVID-19 recovery initiatives.
- To deliver new resources, guidance and training encouraging giving, including free contactless equipment and support for online giving, boosting analysis and reporting.

Relating to the Emerging Church of England work:

- To roll out communications of the Emerging Church workstreams to all stakeholders.
- To provide financial, legal and HR support, working with the Vision and Strategy groups; implementing the recommendations of the Governance and Transforming Effectiveness work; and continuing work towards simplification and legislative reform.

General – subject to review:

- To deliver the People Systems project, including the National Clergy Register and integration with Pathways (Church's national recruitment system) by July 2021.
- To complete the Review of Clergy Remuneration, reporting to General Synod by July 2021.
- To support cross-departmental work to enable clergy to flourish and be more effective in ministry.
- To deliver an enhanced national HR Advice Service to complement local diocesan HR, including the Clergy Transitions Service.

7 | Safeguarding

Objective: to ensure all children and vulnerable adults are safe in the Church. Our priorities in this area in 2021:

A programme for change:

- A joined-up approach to delivering the six II CSA recommendations.
- Independent governance of the NST, in a phased approach.
- Develop a redress scheme for survivors and victims of church-based abuse.
- To continue to develop the Interim Support Scheme, providing emergency support for victims and survivors of church abuse.
- To work with pathfinder dioceses and cathedrals to pilot a Regional Model of safeguarding support and development.
- To work with pathfinder dioceses and cathedrals to set out the range and nature of safeguarding responsibilities for dioceses and cathedrals and develop a methodology that can be applied consistently for determining resource requirements (quantity and type).
- To introduce national safeguarding standards as part of the implementation of a quality assurance framework
- To help the Church to develop the quality of healthy organisational culture which will help to prevent abuse and promote the well-being of victims and survivors.

General:

- Develop a Survivor Engagement Strategy.
- Revision process continuing on the suite of safeguarding policies.
- Improved Access to Policy Guidance, Safeguarding e-Manual.
- To embed refreshed learning and development framework.
- To promote a proactive approach to Safeguarding within the Church – Safeguarding Sunday.
- To encourage dioceses to maintain the right levels of resources to provide good safeguarding.

8 | Governance for the Church

Objective: to operate the national governance arrangements of the Church of England as cost-effectively as possible in pursuit of the Church's mission. Our priority in this area in 2021:

In response to COVID-19:

- To resource the governance bodies during the pandemic, including remote meetings of the House of Bishops, General Synod and Archbishops' Council.

As part of the Emerging Church of England work:

- To lead the staffing of the Governance Review Group and assist with the consultation, resourcing, and implementation of its recommendations.
- To prepare for and drive through Synod legislative recommendations arising from the Governance Review Group.
- To lead implementation of non-legislative governance improvement recommendations.
- To resource the future shape of national ecumenical work, with the Transforming Effectiveness Working Group.

General – subject to review:

- To deliver a well-managed transition to the next Synodical term (quinquennium) through new election processes, new procedures for induction of incoming Synod members and Inaugural Session of General Synod in November 2021.
- To establish financial protocol for the financial management of General Synod meetings.

9 | A Church for all People

Objective: to be a Church that can provide a home for all people in England. Our priority in this area in 2021:

In response to COVID-19:

- To address, through the Anti-racism Taskforce and Commission, the structural inequalities highlighted by the disproportionate impact of COVID-19.

As part of the Emerging Church of England work:

- To support implementation of the “younger and more diverse” strategic priority through the continuing Estates Evangelism Programme and the Commission's work with the Committee for Minority Ethnic Anglican Concerns (CMEAC).

General – subject to review:

- To restructure the Committee for Ministry and Mission among Deaf and Disabled People (CMDDP) to move beyond a forum for disabled and deaf people to being a powerhouse for change in the Church and in our society.
- To deliver work on the NCI Belonging and Inclusion strategy and Future Working Plan.
- To continue work with LLF, as the Coordinating Group hands over to Next Steps Group to oversee the process, working towards resolution in 2023.
- To give guidance to dioceses on engagement with contested heritage monuments.

Financial Review

Overview: use of resources

In 2020 expenditure by the Council totalled £148.3 million (2019: £101.2 million). Net income was £1.3 million in 2020 (2019: £2.1 million) after investment gains of £3.1 million (2019: investment gains of £5.1 million).

The main reason for the significant increase in expenditure compared to the previous year was the increase in grants payable. This was largely driven by the provision of additional funding in the 2020-2022 triennium spending plans agreed by the Council and the Church Commissioners, which allowed new Church Commissioners-funded grant streams to be put in place. In addition, the Archbishops' Council administered the £10m Cathedrals and Major Churches grant scheme as part of the UK government's Heritage Stimulus Fund for national organisations with a portfolio of highly significant historic buildings.

The 2020-2022 spending plans set in 2019 included provision for increased investment in such areas as the growth of vocations through funding for ordinands and curates, a national strategy to increase giving and generosity across the Church, seed funding for a Social Impact Investment programme and a Strategic Transformation Funding (STF) grants programme for dioceses.

As 2020 unfolded, it became clear that the impact of COVID-19 on the wider Church necessitated a review of priorities for spending, and the Council agreed with the Commissioners the creation of a £35 million sustainability funding grant scheme to help dioceses meet the challenge of reduced income as a result of the COVID-19 pandemic (grants of £14.9m were made in 2020). It was agreed with the Commissioners that this new funding stream would be funded through a reduction in the sums available in 2020-2022 for Strategic Development Funding, Social Impact Investment, and future years' grants towards the cost of ordinands and curates.

The greatest proportion of the Council's expenditure in 2020 was in relation to its objectives for Ministry and Resources for the Church. These represented 44.8% (2019: 61.4%) and 28.3% (2019: 3%) respectively, of the total expenditure by the Council.

Grants and grant making policy

The Council makes grants to dioceses under the following main schemes. The Council has agreed a policy framework for each grant scheme with grant awards determined either by the Council or one of its sub committees. Training for Ministry grants were funded from the diocesan apportionment supplemented by additional ordinands funding from the Commissioners, the Cathedrals and Major Churches grants were funded by Historic England and the remaining grants were funded by the Church Commissioners. Lowest Income Communities grants, and Transition funding grants are calculated by formula. Training for Ministry grants per ordinand are set annually with the grant per ordinand set for four separate age bands. There is an application process for the other main funding streams set out below with staff assessing applications and making recommendations on grant awards to the relevant sub-Committee of the Council:

- Evangelism grants include £22.6 million Strategic Development Funding awarded to eight dioceses to support projects aiming to bring more people to the faith of Christ. The Council has delegated decisions on grant awards to its Strategic Investment Board (SIB), the membership of which includes Council members and Church Commissioners.
- Ministry grants include:
 - Lowest Income Communities (LiNC) funding (£26.4 million in 2020, £25.6 million in 2019) to support mission and ministry in low-income dioceses which are supplemented by time-limited transitional grants to smooth the transition to the grant funding arrangements introduced in 2017. In 2020, 27 dioceses received LiNC grants, 7 of which were £1 million or above.

- Strategic Ministry Funding to help meet the cost of additional curates as part of the objective of increasing the number of new clergy across the Church (£5.4 million in 2020). Grants were awarded to 21 dioceses and meet between 50% and 90% of the relevant cost depending on an assessment of the resources of the diocese and whether or not they receive LInC funding.
- Training for Ministry grants, which also support the objective of increasing the number of new clergy, totalled £17.2 million in 2020, including £2.4 million of Additional Ordinands funding (2019: £17.1 million) and funded training, maintenance, and university fees for those undertaking pre-ordination training.
- Resources for the Church grants to help dioceses and cathedrals to be most effective in their mission include:
 - Sustainability Funding grants made to 24 dioceses to help them to address the financial challenges of COVID-19 (£14.9 million in 2020)
 - Strategic Transformation Funding awarded to 15 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 (£11.4 million in 2020)
 - Grants of £10 million to 68 cathedrals and major Churches for capital works as part of one of the strands of the UK governments' Cultural Recovery Fund
 - National Giving Strategy grants made to 11 dioceses to help them implement a new strategy to encourage greater giving and generosity in churches (£1.5million in 2020).

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. Other grant expenditure funded by the apportionment paid by dioceses included:

- grants towards the work of the Anglican Communion Office, national and international ecumenical agencies (including Churches Together in England, the Conference of European Churches and the World Council of Churches), the Church Urban Fund and Fresh Expressions;
- grants for pension contributions for clergy employed by qualifying mission agencies;
- grants towards the subsidy required for the Clergy Retirement Housing scheme administered by the Church of England Pensions Board.

Use of legacies

The Council is fortunate to receive unrestricted legacies from time to time. Its policy is to add such legacies to its unrestricted legacies designated fund to be spent on priorities decided by the Council from time to time. In 2020, unrestricted legacies income was £215,000 (2019: £15,000).

Fundraising

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

Funding

The Council's main sources of funding are the Church Commissioners and the dioceses. This is supplemented by grants for specific areas of work from grant makers including the Corporation of the Church House, the Community of St John the Baptist (known as the Clewer Sisters), the Allchurches Trust and the Pilgrim Trust. The Council is grateful for the support of all its funders and especially that in a very challenging year they were able to fund anticipated grants and donations in full. The Council looks forward to a continuing relationship with its funders to enable it to continue to support the work of the Church of England.

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 known impact of and likely future effects of the COVID-19 pandemic in a number of scenarios. 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 in which the Church Commissioners agree that once a grant has been awarded by the Council's Strategic Investment Board, 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 has agreed to continue to hold between one- and three-months' expenditure as reserves for each of these five areas of expenditure, one of which is its unrestricted funds (excluding designated funds), and to set a target reserve level of two months' expenditure. The policy range for these reserves based on the Council's 2021 budget is between £3.9 million and £11.7 million with a target level of £7.8 million.

At the end of 2020 unrestricted general fund reserves (i.e., excluding designated funds and the pension reserve) were £2.3 million (2019: £2.2 million), which was within the policy range. The Council is content with the current level of reserves and will bear actual and forecast levels in mind when setting its budgets for 2021 and beyond.

As a result of implementing the accounting standards introduced in 2015 the Council, in common with all organisations making deficit recovery contributions to a defined benefit pension scheme, is required to account in full for the net present value of those contributions, even though they will be paid over several years. This resulted in pension reserve liability at the end of 2020 of £1.8 million (2019: £2.4 million) 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 £6.3 million (2019: £5.9 million) were £6.9 million at the end of 2020 (2019: £5.7 million). Recognising that it is intended that the pension reserve will be reduced towards zero by planned deficit recovery contributions to be met from the general fund over the next three years, the Council plans to continue to state its reserves policy for unrestricted funds in terms of its general fund balance.

Investment policy and use of restricted funds

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

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

The Council's Investment Committee reviews and oversees the management of the Council's investments. The Council has set a long-term target return of Consumer Price Index (CPI) +4% per annum and investment performance has exceeded this. The aggregate total return from its long-term investments (with a time horizon of at least five years) was 10.0% in 2020 (2019: 16.3%) compared with the long-term target of 4.6% (2019: 5.3%). Over the past five years the return averaged 7.7% p.a. compared with the long-term target of 5.6%.

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 2020 was 0.1% (2019: 0.6%).

The Council also acts as custodian trustee for several funds. At the end of 2020, the assets of these funds, which are held in investments and cash separately from those of the Council, were valued at £3.7 million (2019: £3.5 million). The largest such funds were: the Community of the Resurrection of our Lord (in Grahamstown, South Africa 2020: £2.0m, 2019: £1.8m), the Philip Usher Memorial Fund (2020: £0.5m, 2019: £0.4m), the Cathedrals Fabric Fund (2020: £0.4m, 2019: £0.4m) and the Anglican and Eastern Churches Fund (2020: £0.3m, 2019: £0.3m). The charitable objectives of these funds cover several of the Council's objectives including Ministry and Education. For example, the Philip Usher Memorial Trust makes grants to enable ordinands and clergy to study the Eastern Orthodox Church.

Ethical investment

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

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

Public benefit

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

- The Church of England is a focus for community activity in 13,000 parishes and 16,000 church buildings and, through the resources at its disposal, provides activities that support community development and social cohesion. Typically, this includes projects that support children, families and the elderly people through clubs, social gatherings, and outreach activities.
- The Church of England provides education in the Christian faith and encourages personal and spiritual growth and well-being.
- Through its engagement in local communities, its chaplains in many sectors of life and its participation in public debate, the Church of England promotes values that it believes are beneficial to society as a whole.
- Through its network of schools and academies, the Church of England provides an education for around 20% of children of primary school age and 6% of young people of secondary school age that is rooted in Christian values and available to families of all faiths and none.

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

Governance

Introduction

The work of the Council and its supporting bodies is underpinned by openness to God, worship, service and a desire to promote growth, partnership, unity, integrity and transparency. The Council carries out its work in compliance with relevant legislation and best practice. 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 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 2020 the Council met seven times, once in person with the remaining meetings held using remote technology. Membership of the Archbishops' Council from 1 January 2020 and up to the date of this report is detailed overleaf.

Committees of the Archbishops' Council

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

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

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

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

Key Working Relationships

The Archbishops' Council works in close partnership with the other National Church Institutions (NCIs): the Church Commissioners, the Church of England Pensions Board, Church of England Central Services, the Offices of the Archbishops of Canterbury and York, the National Society and Lambeth Palace Library. Key working relationships with Church bodies include:

General Synod

The Council is not a body of the General Synod, but a statutory body established under the National Church Institutions

Measure 1998. All of its members are either drawn from the General Synod or become members of the General Synod through their appointment to the Archbishops' Council.

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

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

House of Bishops

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

Church Commissioners

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

Dioceses

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

Church of England Central Services (ChECS)

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

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.

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 2020 and up to the date of this report was as follows:

Joint Presidents

The Most Revd and Rt Hon Justin Welby, Archbishop of Canterbury	(6/6)
The Most Revd and Rt Hon Dr John Sentamu, Archbishop of York (to July 2020)	(1/2)
The Most Revd and Rt Hon Stephen Cottrell, Archbishop of York (from July 2020)	(4/4)

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

The Revd Canon Simon Butler (Canterbury)	(6/6)
The Revd Canon Chris Newlands (York) (to February 2021)	(6/6)

Officers of the House of Laity (ex officio)

Canon Dr James Harrison (Chair, House of Laity)	(6/6)
Canon Elizabeth Paver (Vice-Chair, House of Laity)	(6/6)

Elected by the House of Bishops

The Rt Revd Paul Butler (from December 2020)	(1/1)
The Rt Revd Martin Seeley	(6/6)

Elected by the House of Clergy

Revd Canon Tim Goode (from February 2021)	
The Revd Dr Ian Paul	(5/6)
The Revd Prebendary Sarah Schofield	(6/6)

Elected by the House of Laity

James Cary	(6/6)
Adrian Greenwood (to January 2021)	(6/6)
Rachel Jepson (from January 2021)	

Appointed by the Archbishops with the approval of the General Synod

Maureen Cole	(5/6)
Revd Charlotte Cook	(6/6)
Mr Joseph Diwakar	(6/6)
Matthew Frost	(5/6)
Canon John Spence	(6/6)
Mark Sheard	(6/6)

A Church Estates Commissioner

Loretta Minghella, First Church Estates Commissioner	(5/6)
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(The figures in brackets indicate (i) the number of meetings each member attended in 2020 (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 (from June 2020)
Caroline Boddington, Archbishops' Secretary for Appointments
Revd Canon Dr Malcolm Brown, Director of Mission and Public Affairs
Melissa Caslake, Director of Safeguarding (to December 2020)
Becky Clark, Director of Cathedral and Church Buildings
Debbie Clinton, Director of Renewal and Reform
Rt Revd Chris Goldsmith, Director of Ministry
Christine Hewitt-Dyer, Director of People
Philip James, Director of the Strategy and Development Unit
Revd Nigel Genders, Chief Education Officer
Tashi Lassalle, Director of Communications (to June 2020)
Revd Alexander McGregor, Head of the Legal Office and Chief Legal Advisor
Revd Canon David Male, Director of Evangelism and Discipleship
Zena Marshall, Acting Director of Safeguarding (from January 2021)
Dr Jacqui Philips, Clerk to the Synod and Director, Central Secretariat
David White, Deputy Director of Finance
Revd Canon Jeremy Worthen, Acting Director, Central Secretariat (to March 2020)

Senior staff of Shared Services managed by other NCIs

Stephanie Harrison, Director of Risk Assurance (from March 2020)
Rosie Slater-Carr, Chief Operating Officer (from August 2020)
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
Auditors:	BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

People and Organisation

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

Responding to the pandemic

Over the past few years, a number of initiatives such as our annual remote working day, have helped teams to prepare contingency plans should the need ever arise for NCIs staff to work from home or away from their usual office. This preparatory work enabled teams to adapt quickly to new ways of working and continue to deliver core functions, such as clergy payroll services and the high volume of detailed technical guidance for churches, when the first national lockdown was announced in March, in response to the COVID-19 pandemic.

The health and wellbeing of staff has been the number one priority when making decisions about how we work through the pandemic. Staff have access to a range of internal and external health and wellbeing support which are regularly promoted through our

internal communication channels. This includes our team of trained mental health first aiders – 24 volunteer staff – who are a highly visible support service for staff, hosting regular talks and virtual drop-in sessions.

To measure how staff were coping with the prolonged period of working from home we held two wellbeing surveys, one in May and one in September. As a result, we provided additional advice and guidance on matters of personal resilience, home working set-up, creating, and maintaining boundaries between work and personal lives, as well as encouragement to take regular breaks and outdoor exercise. A new internal Skills Exchange Scheme putting colleagues in touch with each other to help manage one-off peaks in workload as a result of the pandemic was launched in April.

Connecting people

New communication channels were quickly established to ensure that colleagues across the NCIs were kept informed during the pandemic and as a way of connecting colleagues. These included a first all staff meeting on Zoom, attended by 440 colleagues on 23 March, hosted by the Chief Officers of the NCIs. Monthly webinars continued through to the end of the year, covering a wide range of topics and guest speakers, including Archbishop Stephen Cottrell in October. These sessions and are now a regular fixture in our employee engagement calendar. Oversight of our response was monitored by the Business Continuity Group who met on a weekly basis. A dedicated section

on the NCIs intranet was published at the beginning of March to provide a single, trusted source of information about the impact of the virus on the NCIs. This included a comprehensive list of FAQs and an approval process to manage access to Church House, Westminster. Daily bulletins were published during March and April.

To help compensate for the loss of informal face to face meetings during the prolonged period of working from home a new online initiative to aid social and professional networking at the NCIs online matching service, *Coffee Connect*, was launched in October.

Creating a sense of belonging and inclusion

Our aim is for everyone in the NCIs to feel that they belong, are valued for who they are and what they contribute. To achieve this, we are focusing our efforts in four areas: mentoring and learning, leading and signalling, generous behaviours, and celebrating and storytelling. Our first pan-NCIs mentoring scheme started at the beginning of 2020 with 33 colleagues paired with senior leaders. This developmental programme was open to everyone and promoted to groups that are under-represented at more senior levels. This was an important first step towards addressing progression and retention, by signalling an explicit investment in developing cross NCI relationships at all levels. A second round for a new cohort was launched in December 2020.

In February 2020, we hosted a live event to talk about a range of topics including civil partnerships, minority

ethnic clergy's lived experiences, and belonging and inclusion. Panellists included the Archbishop of Canterbury, Justin Welby, and the First Church Estates Commissioner, Loretta Minghella.

Throughout the year staff marked key dates, from a personal perspective commemorating Holocaust Memorial Day to the celebration of LGBTQ+ and Black History months. Networking events were also held by the Women's Network and the Disability Network. Following the death of George Floyd in May, two safe space online events were hosted by the BAME Network to provide a place for colleagues to share how they were feeling, and to provide support for one another. During Black History Month our BAME Network shared books, videos and podcasts that recognised and celebrated the important events and contributions that black people have made to our society. The month culminated with a webinar with Jenny Louis, Acting Governor of Belmarsh Prison, who spoke about her career journey. Open forum events were also held for staff to talk about the Living in Love and Faith project following the publication of resources in November, along with briefing sessions for the LGBTQ+ network and senior leaders. Staff cited the thoughtful and caring approach to support in their feedback.

Summary of our people

At the end of the 2020, a total of 134 staff are employed by the Archbishops' Council, a 3% increase from 2019 (130 staff). This includes a number of posts which are funded by external bodies or through Church Commissioner's strategic funding but whose oversight and employment sits under the Council. The Council

make up 22% of the overall staff at the NCIs, (23% in 2019). The NCIs ended 2020 with 599 employed staff, an increase of 7% in the headcount compared to 2019.

Overall, 96 staff joined the NCIs in 2020, a 34% decrease from 2019, with a considerable drop off in recruitment activity from April 2020 as lockdown began. Almost half of the joiners in 2020 (47 staff) started in the first three months of the year before restrictions were put in place. The majority of recruitment (52%) was to replace existing posts. Where new posts were recruited, these were for specific projects, including some funded by external bodies, or for agreed strategic priorities such as for safeguarding, digital and giving. Nearly a third of all new joiners (31%) were employed on fixed term contracts. This is double the NCI average (15%).

The percentage of people who classed themselves as black or minority ethnic within the Council was 7.8% (2019: 9.5%) compared with overall representation of 15.7% (2019: 15.8%) across the NCIs. Across the NCIs, the ratio of female to male employees remained static (56% to 44% respectively). The percentage of women in senior positions rose from 38% in 2019 to 41% in 2020. The percentage of people who classed themselves as having a disability was 3.3%, a slight fall from 2019 (3.8%). Staff turnover dropped in 2020 to 9% compared to 19% in 2019.

Staff remuneration and executive pay

All the staff of the Archbishops' Council are covered by a unified pay policy that operates across all the NCIs. The policy is designed to ensure the same level of pay

for all staff in posts with work of equal value based on eight bands. For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market related salaries and is subject to annual review.

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

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

The amount paid to the highest member of staff in the Council is 7:3 (2019: 9.1) times the salary earned by the lowest paid member of staff and 3:6 (2019: 3.6) times the median salary.

A total of six people employed by the Archbishops' Council in 2020 were placed on furlough as a result of the COVID-19 pandemic. In 2020 the Council received income of £24,044 from the UK Government's Coronavirus Job Retention Scheme.

Risk Management

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

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

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

During the year, the Audit and Risk function commissioned an independent review of risk management processes and a

roadmap has been developed to further develop good practice in this important area.

2020 has brought unprecedented challenges as a result of the COVID-19 pandemic. Whilst these have stretched all organisations, including the Archbishops' Council, the Council has benefited from established risk management and business continuity processes which has mitigated some of the impacts and enabled it to respond effectively to events as they unfolded.

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

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

Principal risk	Summary of actions and plans to mitigate the risks
Maintaining numbers of those in lay and ordained ministry.	<p>Additional Ordinands Funding and Strategic Ministry Funding provided financial support to dioceses for the cost of training new clergy, and their first curacies.</p> <p>In response to the COVID-19 pandemic, a Temporary Online Discernment Process was put in place. A revised discernment process will be implemented in 2021.</p> <p>Continued work in relation to discipleship and lay leadership, including the publication of <i>Kingdom Calling</i>, which looks at the vital role of the laity in formal Ministry roles.</p> <p>In February 2020, General Synod voted to adopt the Covenant for Clergy Care and Wellbeing which aims to co-ordinate and improve the approach to the care and well-being of clergy across the Church of England.</p>
Achieving and sustaining growth.	<p>Prioritised the Growing Faith programme and development of work through the Youth Evangelism Task Group to achieve growth among Children and Young People.</p> <p>In response to pandemic restrictions, initiatives included establishing a weekly national digital service, increased training for parishes producing digital content and encouraging on-line donations, and the Faith at Home programme.</p> <p>Strategic Development Funding continues to provide support for diocesan growth initiatives. Monitoring and review procedures are in place to evaluate the impact of projects, particularly in light of COVID-19.</p> <p>Strategic Transformation Funding was introduced during 2020 to resource major diocesan change programmes, with demand likely to increase as a result of the pandemic.</p> <p>Advice and consulting services for dioceses to enable effective use of new funding.</p> <p>Working with dioceses to encourage progression with Renewal and Reform.</p>
Failure to build a more diverse Church.	<p>Anti-Racism Taskforce established in 2020 to ensure greater racial equality within the Church of England.</p> <p>Living in Love and Faith resources published during 2020. The Bishop of London is leading the 'Next Steps Group', tasked with encouraging and supporting churches to engage with the materials in 2021.</p>

Risk Management | continued

Principal risk	Summary of actions and plans to mitigate the risks
Safeguarding.	<p>Ongoing work to implement the IICSA recommendations, including the development of an independent governance framework for the National Safeguarding Team.</p> <p>Launch of Safe Spaces in September 2020, a free and independent support service for the victims of Church related abuse in the Church of England, Church in Wales and the Catholic Church of England and Wales.</p> <p>Development of policies, training, quality assurance and culture change to improve national, dioceses and local safeguarding capability.</p> <p>Reviewing dioceses and other Church institutions' practices and rolling out of good practice and training.</p> <p>Significant progress to implement a new People System which will underpin the delivery of a National Register of Clergy.</p>
Funding, capacity and capability.	<p>Renewal and Reform Programme Board in place to oversee work, progression and capacity/capability management to help deliver new initiatives.</p> <p>Implementation of National Giving Strategy 2020-25, with further resources being developed to support clergy and laity with digital giving.</p> <p>Emerging Church of England work commenced during 2020 and was intensified by the onset of the pandemic. The work will determine strategic priorities for the next ten years, deliver simpler governance structures and transform our national operating model.</p> <p>Budget setting and monitoring, to control expenditure and target resources.</p> <p>Focussed engagement with dioceses and other Church bodies to understand their financial health and evaluate the impact of COVID-19. In response to the financial challenges of Covid-19 the Council worked with the Church Commissioners to establish a sustainability funding grant stream to help fund dioceses' pandemic related lost income.</p>
Reputational impact around contentious and divisive issues.	<p>Production of learning and teaching resources on marriage and relationships, and a parallel pastoral advisory group.</p> <p>Ensuring a good cross-section of church opinion on ad-hoc reference groups.</p>

Principal risk	Summary of actions and plans to mitigate the risks
Church Buildings fall into disrepair.	<p>Working with Church Commissioners to help dioceses adopt a more strategic approach to Church Buildings.</p> <p>Churches and cathedrals were provided with advice on how to access relevant government funded COVID-related support schemes. This included the establishment of the £10m Cathedral and Major Churches grant scheme as part of the Heritage Stimulus element of the Cultural Recovery Fund.</p>

Independent Auditor's Report

to the Trustees of the Archbishops' Council

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 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.

We have audited the financial statements of The Archbishops' Council ("the charity") for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: The Presidents' foreword, From the Secretary General and the Trustees Report. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about

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

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 design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant charities acts in the UK. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. We considered the Charity's own assessment of the risks that irregularities may occur either as a result of fraud or error. We also considered financial performance and key drivers for performance targets. We also considered the risks of non-compliance with other requirements imposed by the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: VAT legislation,

employment law and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the those charged with governance and other management and inspection of regulatory and legal correspondence if any.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries of the Audit Committee, management and internal audit and review of minutes of meetings of those charged with governance. We reviewed Serious Incident Reports submitted to the Charity Commission and performed an assessment of any Whistleblowing matters and complaints. We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

We challenged assumptions made by management in their significant accounting estimates, in particular in relation to the discounting of grants receivable and grants payable.

We did not identify any matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

BDO LLP

BDO LLP, statutory auditor
Gatwick
United Kingdom
Date: 1 April 2021

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

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



STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020 £'000	Total 2019 ** £'000
Income from:						
Grants, donations and legacies	2	12,412	131,303	-	143,715	95,043
Charitable activities	3	2,484	159	-	2,643	3,017
Investment income	4	4	12	100	116	165
Total income		14,900	131,474	100	146,474	98,225
Expenditure on:						
Charitable activities	5	(15,359)	(132,604)	(309)	(148,272)	(101,186)
Total expenditure		(15,359)	(132,604)	(309)	(148,272)	(101,186)
Total income less expenditure before gains on investments		(459)	(1,130)	(209)	(1,798)	(2,961)
Gains on investments	10	141	-	3,004	3,145	5,070
Net income/ (expenditure)		(318)	(1,130)	2,795	1,347	2,109
Transfers between funds	13	1,452	-	(1,452)	-	-
Net movement in funds		1,134	(1,130)	1,343	1,347	2,109
Total funds at 1 January	13	5,718	8,323	34,342	48,383	46,274
Total funds at 31 December	13	6,852	7,193	35,685	49,730	48,383

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 62 to 81 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 2019

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

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 62 to 81 form part of these financial statements.

BALANCE SHEET

As at 31 December 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments	10	38,896	39,863
Total fixed assets		38,896	39,863
Current assets			
Debtors: amounts due within one year	11	38,644	28,540
Cash equivalents		10,692	3,192
Cash at bank and in hand		8,676	6,006
Total current assets		58,012	37,738
Non-current assets			
Debtors: amounts due after one year	11	94,595	84,075
Current liabilities			
Creditors: amounts falling due within one year	12	(45,478)	(27,028)
Net current assets		12,534	10,710
Total assets less current liabilities		146,025	134,648
Non-current liabilities			
Creditors: amounts falling due after one year	12	(94,536)	(83,861)
Net assets excluding pension deficit recovery liability		51,489	50,787
Defined benefit pension scheme liability	14	(1,759)	(2,404)
Total net assets		49,730	48,383
Funds of the charity			
Unrestricted funds:			
General fund	13	2,334	2,195
Designated funds	13	6,277	5,927
Pension deficit reserve	13	(1,759)	(2,404)
Total unrestricted funds		6,852	5,718
Restricted funds	13	7,193	8,323
Endowment funds	13	35,685	34,342
Total funds of the charity		49,730	48,383

The financial statements were approved by The Archbishops' Council on 22 March 2021 and signed on its behalf by:

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

Chair of the Finance Committee, Canon John Spence

The notes on pages 62 to 81 form part of these financial statements.

CASH FLOW STATEMENT

For the year ended 31 December 2020

	2020 £'000	2019 £'000
Cash flow from operating activities:		
Net income for the year (as per the statement of financial activities)	1,347	2,109
(Gains) on investments	(3,145)	(5,070)
Investment income	(116)	(165)
(Increase) in debtors	(20,625)	(4,618)
Increase in creditors	29,126	4,338
(Decrease) in pension liability	(645)	(367)
Net cash flow generated by/ (used in) operating activities	5,942	(3,773)
Cash flows from investing activities		
Investment income	116	165
Purchase of fixed asset investments	-	(11,386)
Sale of fixed asset investments	4,112	12,342
Net cash flow provided by investing activities	4,228	1,121
Change in cash and cash equivalents in the year	10,170	(2,652)
Cash and cash equivalents at the start of the year	9,198	11,850
Cash and cash equivalents at the end of the year	19,368	9,198
Analysis of cash and cash equivalents and net debt		
Cash equivalents	10,692	3,192
Cash at bank and in hand	8,676	6,006
Total cash and cash equivalents and net debt	19,368	9,198

The notes on pages 62 to 81 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 £706,000.

(d) Going concern

The trustees have reasonable expectation that the Council has adequate resources and cash flows to meet spending commitments for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts. The Council has evaluated the nature of its key sources of income, particularly including distributions made by the Church Commissioners, apportionment contributions made by dioceses and grants from other bodies. It has considered the charity's ability to withstand a material fall in income and the mitigating actions which could be taken in such a scenario including the types of expenditure which could be reduced or delayed. It has also analysed the strength of the available reserves and liquid assets, including modelling the effect of a significant reduction in investment values. The Council considers that it has sufficient reserves to withstand such an eventuality, taking account of restricted funds with 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 13).

Restricted funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. Accounting policies (continued)

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 13.

(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 11) to match the Council's grant commitment to the dioceses (note 12).

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

The long-term debtor and creditor balances are discounted to present value. 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

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).

Investments: Programme related investments

The Council recognises its programme related investments at their initial cost, less any impairments. This is a change from its previous accounting policy to hold programme related investments at fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. Accounting policies (continued)

(j) Pensions

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

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

(k) Leases

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

(l) Taxation

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

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

(m) Related parties

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

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

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

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 17.

(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 2020

2. Income from grants, donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000
Grants received from:								
Church Commissioners	1,000	95,052	-	96,052	19	59,939	-	59,958
The Pilgrim Trust	-	75	-	75	-	185	-	185
Cathedral and Major Churches Grant Scheme	-	10,083	-	10,083	-	-	-	-
Corporation of Church House	-	1,752	-	1,752	1,752	500	-	2,252
Others	88	481	-	569	388	635	-	1,023
Discounting adjustment	-	1,598	-	1,598	-	(1,710)	-	(1,710)
Total grants received	1,088	109,041	-	110,129	2,159	59,549	-	61,708
Contributions from dioceses	11,095	21,830	-	32,925	11,747	21,287	-	33,034
Legacies	215	-	-	215	15	-	-	15
Other donations	14	432	-	446	51	153	82	286
Total income from donations and legacies	12,412	131,303	-	143,715	13,972	80,989	82	95,043

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. As 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 financial impact of the pandemic (see note 6 for details).

Cathedral and Major Churches Grant Scheme

Grant funding totalling £10 million, along with an additional amount to cover administrative costs, has been awarded to the Archbishops' Council from the Government's Cultural Recovery Fund, to be spent on 68 cathedral and major church projects before April 2021.

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

Grant from Corporation of the Church House

The Corporation awarded the Council grants in 2020 which the Council used to support Safeguarding.

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.

3. Income from charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000
Accommodation – income from sub- tenants	1,602	-	-	1,602	1,621	-	-	1,621
Church House Publishing	338	-	-	338	366	-	-	366
Conferences and courses	34	-	-	34	420	2	-	422
Other income	510	159	-	669	540	68	-	608
Total income from charitable activities	2,484	159	-	2,643	2,947	70	-	3,017

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

4. Income from investments

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Dividends	-	-	100	100	-	-	99	99
Interest on cash and deposit funds	4	12	-	16	19	40	7	66
Total income from investments	4	12	100	116	19	40	106	165

5. Expenditure on charitable activities

	Grants awarded	Direct costs	Support costs	Total 2020	Grants awarded	Direct costs	Support costs	Total 2019
	Note 6	Note 7	Note 8					
Charitable objective	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Evangelism	25,132	1,937	926	27,995	21,617	1,463	940	24,020
Discipleship	-	800	583	1,383	-	580	613	1,193
Ministry	62,868	2,441	1,136	66,445	59,005	1,903	1,136	62,044
Common good	-	1,660	755	2,415	-	1,259	918	2,177
Education	90	568	241	899	19	536	289	844
Resources for the Church	39,721	1,033	1,216	41,970	1,238	981	1,690	3,909
Safeguarding	393	2,616	1,203	4,212	-	2,698	1,204	3,902
Governance for the Church	-	1,298	1,054	2,352	-	1,335	1,189	2,524
A Church for all people	-	387	214	601	-	318	255	573
Total charitable expenditure	128,204	12,740	7,328	148,272	81,879	11,073	8,234	101,186

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

6. Grant making

A full list of grants awarded to institutions is available on the website: 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.

a) Evangelism

	2020	2019
	£'000	£'000
Strategic development funding to 8 dioceses (2019: 17)	22,562	21,278
<i>Other Evangelism grants awarded:</i>		
SDF Non-Diocesan grants	-	975
Grants awarded from the Mission Agencies Pension Contributions Fund	661	706
Grants awarded to Church Urban Fund	203	203
Other institutions	106	152
Total grants awarded for Evangelism before discounting	23,532	23,314
Discounting adjustment	1,600	(1,697)
Total grants awarded for Evangelism	25,132	21,617

Grants for Evangelism were distributed to dioceses under the Strategic Development Funding (SDF) stream. This funding for new growth opportunities aims to support major change projects which fit with dioceses' strategic plans. Dioceses are accountable to the Council in respect of these grants and provide details of how they have spent the grants. In 2019 Strategic Development Funding was awarded to 5 non-diocesan Church bodies in relation to key projects in support of Church growth. No such grants were awarded in 2020.

The Church Commissioners are statutorily required under the Pensions Measure 1997 to meet the pension costs of clergy who are employed by those mission agencies which were Church of England members of the Partnership for World Mission at the time the Measure was passed. By agreement, the Council met the full cost of this liability, which was £661,000 (2019: £706,000). The contribution was made in respect of an average number of clergy of 69 in 2020 (2019: 77).

b) Ministry

	2020	2019
	£'000	£'000
Lowest Income Communities (LiNC) funding (to 27 dioceses (2019: 26))	26,442	25,560
Transitional funding (2017-2026) (to 20 dioceses (2019: 20))	8,261	9,750
Restructuring funding (to 0 dioceses (2019: 5))	-	1,323
Grants for ministry training (to 21 individuals and 75 institutions (2019: 115 individuals and 71 institutions))	17,190	17,101
Grants for clergy retirement housing (to the Church of England Pensions Board)	5,299	5,046
Strategic Ministry Funding (to 21 dioceses)	5,446	-
Other grants	234	235
Total grants awarded for Ministry before discounting	62,872	59,015
Discounting adjustment	(4)	(10)
Total grants awarded for Ministry	62,868	59,005

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

6. Grant making (continued)

b) Ministry (continued)

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 (2021: £27.4m, 2022: £28.3m) and Transition Funding (2021: £6.7m, 2022: £5.3m). 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.

In addition, dioceses receiving Transition Funding were allocated a one-off sum of Restructuring Funding in the first three years of the transition period, which was released on application by the Diocese. This was proportionate to their reduction in funding under the new allocation method. It could be used for any purpose which helps the dioceses develop mission and growth. This funding stream ceased in 2019.

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. The Council still pays grants direct to those ordinands who started training before September 2017. Grant funding for Ministry training is recognised and paid over a period of up to three years, subject to successful completion of each term of training. Accordingly, the value of grant funding recognised in the year represents funding awarded for the period to the end of December 2020. If all ordinands in training at 31 December 2020 were to complete their training, the Council would award a further £25.6 million in grants over the next 2.5 years. This is expected to be funded from future years' Training for Ministry diocesan apportionment income.

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

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.

The Additional Ordinands Funding is intended to meet costs of training the incremental increase in ordinands throughout the next triennium, supporting dioceses to deliver the Church wide goal of providing for future ordained ministry through increasing the number of ordinands by 50%.

c) Education

	2020	2019
	£'000	£'000
Church Colleges of Education Fund	75	4
Other	15	15
Total grants awarded for Education	90	19

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

6. Grant making (continued)

d) Resources for the Church

	2020	2019
	£'000	£'000
Grants awarded from the Grants and Provisions Fund:		
Anglican Communion Office	626	588
Churches Together in England	150	150
Other institutions	216	224
Total grants awarded from the Grants and Provisions Fund	992	962
Grants awarded for development of Church buildings for worship and service:		
Grants funded by the Pilgrim Trust (to 109 institutions (2019: 89 institutions))	169	212
Grants funded by the Cathedral and Major Churches Grant Scheme (to 68 cathedrals/ institutions (2019: 0 cathedrals/ institutions))	9,933	-
Other cathedral grants	29	45
Total grants awarded for development of Church buildings for worship and service	10,131	257
Other grants awarded:		
Parish Giving Scheme	579	-
Strategic Transformation Funding (to 15 dioceses and one non diocese)	11,407	-
National Giving Strategy (to 11 dioceses)	1,524	-
Sustainability Funding (to 24 dioceses)	14,922	-
Other grants	166	19
Total grants awarded for Resources for the Church	39,721	1,238

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.

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 COVID19 pandemic.

e) Safeguarding

	2020	2019
	£'000	£'000
Past Cases Review 2 (7 grants to 7 dioceses)	126	-
Survivor Support Scheme (10 grants to 10 people (2019:0 people))	267	-
Total grants awarded for the Safeguarding	393	-

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

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 2020

7. Direct costs

Charitable objective	Administration and central office costs	Department running costs	2020 Total	Administration and central office costs	Department running costs	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Evangelism	162	1,775	1,937	292	1,171	1,463
Discipleship	67	733	800	116	464	580
Ministry	204	2,237	2,441	380	1,523	1,903
Common good	139	1,521	1,660	251	1,008	1,259
Education	47	521	568	107	429	536
Resources for the Church	86	947	1,033	196	785	981
Safeguarding	216	2,400	2,616	436	2,262	2,698
Governance for the Church	108	1,190	1,298	266	1,069	1,335
A Church for all people	32	355	387	64	254	318
Total direct costs	1,061	11,679	12,740	2,108	8,965	11,073

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 2020 were £1,786,000 (2019: £1,622,000).

8. Support costs

	Note	2020 Total	2019 Total
		£'000	£'000
Support costs			
Accommodation		2,852	2,896
Shared service costs		4,217	4,914
Other		72	43
Total support costs		7,141	7,853
Governance costs			
Audit fees		39	37
Internal audit and risk management		92	57
Membership and committees		2	6
Total governance costs		133	100
Total support and governance costs (before movement on pension deficit provision)		7,274	7,953
Movement on pension deficit provision			
Interest on provision	14	22	45
Re-measurement of provision	14	32	236
Total support and governance costs 2020		7,328	8,234
Total support and governance costs 2019			8,234

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

8. Support costs (continued)

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

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

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

Expenses incurred by members in attending Council and committee meetings and on other business of the Council were reimbursed to 9 members (2019: 13) totalling to £2,800 (2019: £6,000). The members of the Council have no entitlement to salary or pension arising from their services to the Council.

9. Staff numbers and remuneration

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

The work of the Council is supported by staff in shared service departments managed by Church of England Central Services (ChECS) (see note 17) which provides finance, HR, communications, legal, IT and internal audit services to the NCIs. The SORP requirements are that the costs of staff employed by third parties who operate on behalf of the Charity should be disclosed in the accounts. In order to comply with the spirit of the SORP, the total costs of all ChECS staff are shown in the tables. The Council's share of their costs was £3,987,000 (2019: £3,790,000).

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

	Archbishops' Council		ChECS	
	2020	2019	2020	2019
	Number	Number	Number	Number
Average Number Employed	141	124	178	165
	£'000	£'000	£'000	£'000
Salaries	6,345	5,318	8,189	7,463
National Insurance Costs	714	594	911	820
Pension Contributions	904	726	1,115	1,004
Total cost of staff	7,963	6,638	10,215	9,287

Included in the Council's own staff costs is £57,900 (2019: £52,000) paid by way of redundancy costs to 5 (2019: 4) individuals, the costs of which are accounted for in full in the year in which the restructure is announced. (Note – the ChECS pension contributions figures do not include the ChECS pension deficit contributions, the Councils' share of which is accounted for on the Councils' balance sheet).

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

	Archbishops' Council		ChECS	
	2020	2019	2020	2019
	Number	Number	Number	Number
£60,001 to £70,000	5	5	14	13
£70,001 to £80,000	2	4	7	5
£80,001 to £90,000	7	3	2	5
£90,001 to £100,000	-	1	3	4
£100,001 to £120,000	-	-	5	1
£120,001 to £130,000	-	-	-	1
£130,001 to £140,000	1	-	1	-
£150,001 to £160,000	-	-	-	1
£170,001 to £180,000	-	1	-	-
£180,001 to £190,000	1	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

9. Staff numbers and remuneration (continued)

Of the staff above managed by the Council, 11 (2019: 9) accrue benefits under the CAPF defined contribution scheme for which contributions for the year were £137,000 (2019: £95,000). A further 4 staff (2019: 3) accrue benefits under defined benefit schemes, with 3 (2019: 2) in the CAPF and 1 (2019: 1) in the CEFPS. Defined benefit contributions for the year for these staff were £49,000 (2019: £36,000).

Of the staff above managed by ChECS, 28 (2019: 24) staff members accrue benefits under the CAPF defined contribution scheme for which contributions for the year were £295,000 (2019: £256,000). The remaining 4 staff members (2019: 6) accrue benefits under a defined benefit scheme. Defined benefit contributions for the year for these staff were £71,000 (2019: £95,000).

The Council's senior executive leadership team comprises 15 individuals, for whom the Archbishops' Council was the managing employer of 7 individuals and ChECS was the managing employer of 8. Their aggregate remuneration, including pension contributions, is £1,558,000 (2019: £1,283,000).

Staff loans

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

10. Investments

	Investment funds	Programme Related investments	2020	Investment funds	Programme Related investments	2019
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January	36,638	3,225	39,863	32,524	3,225	35,749
Additions	-	-	-	11,386	-	11,386
Disposals	(4,112)	-	(4,112)	(12,342)	-	(12,342)
Unrealised gains / (losses) on revaluation	3,145	-	3,145	5,070	-	5,070
At 31 December	35,671	3,225	38,896	36,638	3,225	39,863

Investment funds

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

Investments were held as follows:

	2020	2019
	£'000	£'000
Sarasin	24,533	25,153
CCLA	11,130	11,478
Other	7	7
At 31 December	35,670	36,638

The investment funds consisted of the following underlying assets:

	2020	2019
	£'000	£'000
Equities	26,463	26,152
Property	1,021	2,597
Index linked / Fixed interest securities	3,313	3,692
Infrastructure / Alternative	3,261	2,504
Cash and cash equivalents	1,612	1,693
At 31 December	35,670	36,638

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

10. Investments (continued)

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.

In addition, 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. However, no monies were advanced during the year and therefore the investment is held at a value of £nil (2019: £nil). See note 17 for more details.

11. Debtors

	2020	2019
	£'000	£'000
Amounts due within one year		
Trade debtors	428	939
Prepayments	93	750
Amounts due from NCIs	3,133	920
Amounts due from colleges and schools	110	154
VAT and social security	63	294
Other debtors	115	177
Grants receivable – SDF diocesan and restructuring grants	25,807	23,228
Grants receivable – SDF non-diocesan grants	840	1,508
Grants receivable – Strategic Ministry Funding	1,761	-
Grants receivable – Strategic Transformation Funding	3,445	-
Grants receivable – National Giving Strategy	580	-
Grants receivable – Cathedrals and Major Churches Grant Scheme	2,000	-
Grants receivable – other grants	269	570
Total debtors due within one year	38,644	28,540
Amounts due after more than one year		
Grants receivable – SDF diocesan and restructuring grants	82,792	85,185
Grants receivable – SDF non-diocesan grants	346	600
Grants receivable – Strategic Ministry Funding	2,956	-
Grants receivable – Strategic Transformation Funding	7,725	-
Grants receivable – National Giving Strategy	888	-
Total before discounting adjustment	94,707	85,785
Discounting adjustment	(112)	(1,710)
Total debtors due after one year	94,595	84,075
Total debtors	133,239	112,615

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

12. Creditors

	2020	2019
	£'000	£'000
Amounts due within one year		
Trade creditors	624	642
Grants payable – SDF diocesan and restructuring grants	25,807	23,228
Grants payable – SDF non-diocesan grants	480	606
Grants payable – other grants	979	524
Grants payable – Strategic Ministry Funding	1,761	-
Grants payable – Strategic Transformation Funding	3,445	-
Grants payable – National Giving Strategy	580	-
Grants payable – Cathedrals and Major Churches Grant Scheme	8,931	-
Accruals and deferred income	2,001	1,977
Amounts due to NCIs	783	-
Other creditors	87	51
Total creditors due within one year	45,478	27,028
Amounts due after more than one year		
Grants payable - SDF diocesan and restructuring grants	82,792	85,185
Grants payable - SDF non-diocesan grants	287	383
Grants payable – Strategic Ministry Funding	2,956	-
Grants payable – Strategic Transformation Funding	7,725	-
Grants payable – National Giving Strategy	888	-
Total before discounting adjustment	94,648	85,568
Discounting adjustment	(112)	(1,707)
Total creditors due after more than one year	94,536	83,861
Total creditors	140,014	110,889

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

Grant stream	2022	2023	2024	2025	2026	2027 and beyond	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
SDF, Capacity and Restructuring	37,422	20,725	14,658	7,506	2,215	266	82,792
SDF Non-Diocesan	275	12	-	-	-	-	287
Strategic Ministry Funding	1,676	1,280	-	-	-	-	2,956
Strategic Transformation Funding	2,316	2,306	1,861	1,242	-	-	7,725
National Giving Strategy	305	296	287	-	-	-	888
Total before discounting adjustment	41,994	24,619	16,806	8,748	2,215	266	94,648
Discounting adjustment	(34)	(30)	(26)	(17)	(5)	-	(112)
Total	41,960	24,589	16,780	8,731	2,210	266	94,536

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

13. Statement of funds

The table below shows details of 2020 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
Unrestricted funds						
General Fund	2,195	14,580	(15,924)	1,342	141	2,334
Designated funds						
Church Schools Fund	541	-	-	-	-	541
Church House planned maintenance	376	93	73	80	-	622
Programme related investments: properties	3,225	-	-	-	-	3,225
CHARM (*)	411	-	-	-	-	411
Other designated funds	1,374	227	(153)	30	-	1,478
Total designated funds	5,927	320	(80)	110	-	6,277
Total unrestricted funds before pension reserve	8,122	14,900	(16,004)	1,452	141	8,611
Pension deficit reserve	(2,404)	-	645	-	-	(1,759)
Total unrestricted funds	5,718	14,900	(15,359)	1,452	141	6,852
Restricted funds						
Training for ministry fund (*)	2,572	14,676	(14,676)	-	-	2,572
Grants & provisions fund (*)	323	1,241	(1,196)	(20)	-	348
Mission agencies pension contributions (*)	389	557	(661)	-	-	285
CHARM (*)	400	5,300	(5,299)	-	-	401
Dioceses Fund	1,016	2	-	-	-	1,018
Legal costs	1,096	2	(193)	20	-	925
Strategic Development Funding (Diocesan)	-	22,562	(22,562)	-	-	-
Strategic Development Funding (Non-Diocesan)	1,119	-	(700)	-	-	419
Lowest Income Communities Funding (LInC)	-	26,442	(26,442)	-	-	-
Transition Funding	-	8,261	(8,261)	-	-	-
Cathedral and Major Churches Grant Scheme	-	10,083	(9,933)	-	-	150
Additional Ordinands Funding	-	2,481	(2,481)	-	-	-
Strategic Ministry Funding	-	5,545	(5,545)	-	-	-
Sustainability Funding	-	14,922	(14,922)	-	-	-
National Giving Strategy	-	1,699	(1,699)	-	-	-
Strategic Transformation Funding	-	11,442	(11,442)	-	-	-
Safeguarding funding	-	1,752	(1,752)	-	-	-
Digital funding	-	1,445	(1,445)	-	-	-
Other restricted funds	1,408	3,062	(3,395)	-	-	1,075
Total restricted funds	8,323	131,474	(132,604)	-	-	7,193
Endowment funds						
Expendable endowment funds						
The Archbishops' Council Ministerial Training Trust Fund	916	53	(41)	(106)	82	904
Church Colleges of Education Fund	3,904	23	(75)	-	381	4,233
Church and Community Fund	20,870	(1)	(102)	(1,285)	1,917	21,399
Church of England Special Purposes Fund	1,822	-	-	-	182	2,004
Women's Continuing Ministerial Education Trust	1,636	-	(58)	(1)	160	1,737
MPA Sundry Funds	489	-	-	(55)	20	454
Other expendable endowment funds	1,211	2	(8)	(5)	50	1,250
Total expendable endowment funds	30,848	77	(284)	(1,452)	2,792	31,981
Permanent endowment funds						
The Archbishops' Council Ministerial Training Trust Fund	1,711	-	-	-	113	1,824
Church Colleges of Education Fund	746	-	(2)	-	49	793
Other permanent endowment funds	1,037	23	(23)	-	50	1,087
Total permanent endowment funds	3,494	23	(25)	-	212	3,704
Total endowment funds	34,342	100	(309)	(1,452)	3,004	35,685
Total funds of the charity	48,383	146,474	(148,272)	-	3,145	49,730

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

13. Statement of funds (continued)

Fund	Fixed Assets	Cash & Short Term Deposits	Debtors	Creditors	Provision for Pension Liability	NET ASSETS
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	4,794	2,864	2,457	(1,504)	(1,759)	6,852
Restricted Funds		14,909	130,754	(138,470)	-	7,193
Endowment Funds	34,102	1,595	29	(41)	-	35,685
Total	38,896	19,368	133,240	(140,015)	(1,759)	49,730

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 (see note 10 for further details).

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

Restricted funds

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

13. Statement of funds (continued)

Restricted funds (continued)

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

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

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

Cathedral and Major Churches Grant Scheme is to provide funding for cathedral and major church building works, up until April 2021.

Additional Ordinands Funding is to support dioceses to deliver the goal of providing for future ordained ministry through increasing the number of ordinands by 50%.

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

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

Digital funding is grant money from the Church Commissioners to support the work of the Digital team, part of Renewal and Reform to help the Church become for all people and all places

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:

- £1,285,000 was transferred from the Church & Community (Endowment) Fund to general funds to meet general operating activities and safeguarding grants (Past Case Review 2 and Survivor Support)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

13. Statement of funds (continued)

For **comparative purposes**, the table below shows details of **2019** movements on funds material to the Council in terms of value (more than £500,000) or those funded by diocesan apportionment (*).

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

14. Pensions

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

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

	2020	2019
	£'000	£'000
CAPF	1,738	2,374
CEFPS	21	30
Total	1,759	2,404

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
2020	12	115	12	139
2019	14	110	9	133

Church Administrators Pension Fund (CAPF)

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

The contributions to the scheme are assessed by an independent qualified actuary using the projected unit method of valuation. A valuation of this section is carried out every three years, the most recent having been at 31 December 2017. This revealed a deficit of £13.3m for the entire scheme. A valuation as at 31 December 2019 was under way as at 31 December 2020. This has since been finalised and will be reflected in the figures disclosed in the 2021 accounts. Following the valuation, the employers have collectively entered into an agreement with CAPF to continue to pay contributions of 19.1% of Pensionable Salaries (increasing to 23.5% of Pensionable Salaries with effect from 1 May 2023). The employers also agreed to make deficit payments of £2,667,723 per annum as at 1 January 2018, payable monthly until 30 April 2023, in respect of the shortfall in the Defined Benefit Section (increasing each 1 January by 3.3% per annum). These deficit contributions are made by each employer in proportion to Pensionable Salaries of those in the Defined Benefit Section.

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

	Provision brought forward	Contributions paid	Interest charged on provision	Adjustment to net present value of provision	Provision carried forward
	£'000	£'000	£'000	£'000	£'000
Council staff	1,473	(434)	14	82	1,135
Share of ChECS staff	901	(252)	8	(54)	603
Total provision	2,374	(686)	22	28	1,738

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 0.2% (2019: 1.1%).

In addition, the employers are responsible for making contributions towards the administration costs of the scheme of £390,000 (2019: £390,000). In 2020, the Council's share of these costs was £71,000 (2019: £69,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

14. Pensions (continued)

Defined contribution scheme: Staff who commenced service after 30 June 2006 are entitled to pensions earned from the contributions paid into a personal pension scheme by the Council and themselves. The Archbishops' Council paid contributions of £573,000 in 2020 (2019: £548,000).

Church of England Funded Pension Scheme (CEFPS)

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

Each responsible body in the CEFPS, including dioceses, pays a common contribution rate. The contributions to the scheme are assessed by an independent qualified actuary using the projected unit method of valuation. The last full valuation of the scheme, as at 31 December 2018, showed an overall deficit of £50m. As a result of this, a recovery plan was put in place until 31 December 2022. The deficit recovery contributions are set at 11.9% of pensionable stipends up to Dec 2020 and 7.1% thereafter until Dec 2022.

The table below shows the movement on the provision:

	Provision brought forward	Contributions Paid	Interest charged on provision	Adjustment to net present value of provision	Provision carried forward
	£'000	£'000	£'000	£'000	£'000
Council staff	30	(13)	-	4	21
Total provision	30	(13)	-	4	21

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 2020 there were 10 (2019: 11) 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	29	(1)	28
Total fund	29	(1)	28

15. Operating leases

The amount due for land and buildings within the next 12 months, on a lease with the Corporation of the Church House, is £1,176,595 (12 months from 31 December 2019: £1,415,000). The cost is shared with the other NCIs. The current lease ends at 31st Dec 2022.

16. Funds held on behalf of others

The Council is custodian trustee for a number of funds which have trustees separate and independent from the Council but where the Council holds the trusts' investments on their behalf. The funds had a combined income of £26,000 (2019: £102,000), expenditure of £49,000 (2019: £37,000) and net assets of £3,700,000 (2019: £3,475,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

17. 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 (2019: £203,000) paid to Church Urban Fund in respect of grant funding
- £600 paid to Fresh Expressions in respect of conference costs (2019: £92,000 in respect of grant funding)
- £1,000 (2019: £nil) paid by the Council in respect of freelance consultancy work.

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. The consultancy work is classified as a related party transaction as it was carried out by a close family member of key personnel.

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

- £101,000 (2019: £127,000) paid by Church Urban Fund.

Pension Schemes

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

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 (2019: £nil) and £336,000 was owed to ChECS by the Council (2019: £170,000 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 (2019: £nil) as set out in note 10. £52,000 (2019: £nil) was owed to the Council by Safe Spaces at the end of the year.



Notes

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