

Fourth Day

Monday 9 July 2001

THE CHAIR *The Bishop of St Albans (Rt Revd Christopher Herbert)* took the Chair at 9.30 a.m.

Prayers were led by *the Archdeacon of Barnstaple (Ven. Trevor Lloyd)* and *Miss Jayne Ozanne*.

Variation in the Order of Business

The Dean of Derby (Very Revd Michael Perham): If members of Synod will turn to today's order paper and to the top of page 3, under SO 9 I move the insertion of a rubric 'Not later than 12.15 p.m.' before 'Special Agenda V, Financial Business'. The effect of the rubric is to ensure, with several amendments and many requests to speak on the previous item, that we do nevertheless reach the budget before lunch, indeed by 12.15.

The Chairman: That has my consent. Has it the general consent of the Synod? (*Agreed*)

Building on Firm Foundations (GS 1414)

Archbishops' Council's Annual Report and Financial Statements for 2000

Canon Hugh Wilcox: I beg to move:

'That the Synod do take note of this Report.'

The report of the Archbishops' Council for 2000 gives the Synod the opportunity to comment on and question not only the work of the Council but also work done under their auspices. Our accountability as a Council is of prime importance to us as we work to develop strong and robust relationships within the one body: relationships with this Synod, with the House of Bishops, with the other national institutions and with many other partners. Synod's constructive criticism of our work is a vital ingredient in this development.

For the Church the year of the millennium was the year in which we were challenged by the Stephen Lawrence debate and the future of the Church Urban Fund, the interim Dearing report on the opportunities for more Church schools and the diocesan-wide discussion of proposals about marriage and divorce. The battle to abolish VAT on church repairs was at least half-won, but external events provided their own challenges and opportunities: the deepening rural crisis, the issue of sanctions in Iraq, the problems of the National Health Service, in which our hospital chaplains do such vital

work, and not least the serious financial realities and the 5 per cent cut on the 2001 budget for Vote 2.

At Church House the staff have had to cope with an ever increasing agenda as well as the ferment of post-Turnbull changes and initiatives. The relocation project has been completed, as has the first batch of activity and value audits. New human resources systems and policies are in place, and a number of new reviews have been initiated by the Council. Given all this, we should most definitely be keeping the staff constantly in our prayers. Also we should be supporting them with our thanks for their hard work.

It might seem to an outside observer that the Archbishops' Council, a bit like Herod, preside over this maelstrom of activity with Olympian detachment and relishing their power. The reality, I can assure Synod, is totally different. There are a lot of worms about! This report demonstrates the breadth of the work and the expertise and creativity of the staff, and the 19 members of the Council are only too well aware that our powers are strictly limited. The diversity needs an overall sense of direction; priorities need to be chosen and pursued, and this is the task of the Council.

This is why the Archbishops' Council have been at such pains to find an overview and focus for all the work through the adoption of our four themes and fundamentals, providing the context for the necessary and often painful making of choices as we seek to direct our energies and resources in the future, 'our' in that sentence being the Church's, not the Council's. We must do this for two reasons: to create space for the new and the unexpected and to establish priorities as we strive to match the national agenda of the Church to the Church's reduced resources.

In this, our second year, we have continued to lay what we hope are firm foundations within a vision of servant leadership. Leadership – helping the Church nationally to discern priorities and make choices – has to be balanced with the inevitable responsibilities of management, to which belong the services managed on behalf of the national Church institutions, the programme audits and, most critically, the efficient and effective managing of the funds voted by this Synod.

I conclude by thanking all my fellow members of the Council and especially the four who left us late in the year: Michael Turnbull, the Bishop of Durham; Pete Broadbent, now the Bishop of Willesden; Canon John Stanley; and Christina Rees. All of them made a significant contribution to the first two years of the Council, particularly the Bishop of Durham, who kept before us the vision of the Turnbull report without ever seeking to constrain us within it. We thank him and them and our expert, hard-working and committed staff.

We also say goodbye and thank you to one member of staff who should be mentioned: Dr Thomas Cocke, a distinguished secretary to the Council for the Care of Churches since 1990, who is leaving us shortly to become director of the National Association of Decorative and Fine Arts Societies.

I commend the report to the Synod.

Revd Peter Spiers (Liverpool): When I read the Archbishops' Council's report I marvelled at the range and volume of the work that was being carried out, and I think of the time that has been devoted to this. What I have to say in the next few minutes is not intended as criticism or at least, if it is taken as criticism, let it be seen as constructive.

I did feel uneasy about reading it because I wondered if I was reading the annual report of the Church of England plc, consolidating its market share. The language was more of maintenance than of mission. I would like to inject a note of urgency into this debate this morning. The title *Building on Firm Foundations* reminds me of status quo, standing still. Jesus spoke about firm foundations. He spoke about two men who built. One was wise, and one was foolish. One stayed up; one fell down when the weather conditions changed. We are told to build our lives on the teachings of Jesus. The Church is to be built on Christ as the cornerstone. Yesterday in the Minster the word of God to us from Luke 10 reminded us of a Church going out, being weak, being vulnerable, travelling light, with little baggage. The Archbishop reminded us that sacrifice and risk always come before blessing, a blessing not to ourselves but to the world, to others. I believe that the Church is called to go, to move, and never to stand still; and to do so in the power of the Spirit.

As a parish priest in Liverpool I often feel overwhelmed by the pressures of ministry, living and all the rest of it, but also by all the opportunities that there are. It often feels as though I am spinning plates and running from one to another, hoping that none of them will crash to the floor. At such times I need to remind myself of God's agenda and his unconditional love for me. If that is true for me, how much more must it be true for the Archbishops' Council. It must be very draining to have all the pressures and yet all the opportunities as well. Jesus said that he only did what he saw his Father doing. He discerned the times. I believe that it is our task, the task of the Archbishops' Council, to discern what God is doing in our world as well as in our Church.

I would like to ask members to turn to the last paragraph of the introduction to the report which talks about 2000 being the millennium year, but finishes by saying that:

as the Church enters this new millennium in the continued service of God and nation, it does so with reformed national institutions including a Council determined to listen to what the Holy Spirit is saying to the Church and to direct all its energies to the service of our Lord and his mission on earth.

Amen to that, but I would like to know what the Archbishops' Council feel that the Holy Spirit is saying to the Church, and I would like some assurance that they will indeed direct all their energies to the service of our Lord and his mission on earth, because that mission is urgent.

Yesterday we related (or in my case listened to) many moving accounts of the plight of people in rural areas, and one or two speakers called us to pray, pray to support them, stand alongside them as well, in their time of need. How much more do we need to do that for our nation as a whole, and for its spiritual needs as well? We have analysed the facts and statistics of global poverty, and we have decided to take action. Surely we should be doing that as well, as a Church? We look at attendance figures. Someone has said that we now have discovered that there are more people on the *Titanic* than we thought. What about children and young people? Where are our priorities? Would that our debates here reflected all four themes of the Archbishops' Council and not just one! Our world is crying out for spiritual fulfilment, and unfortunately the last place that people look is the Church. My hope and prayer is that they will look to the Church in the fullness of time.

Let me suggest, just to finish, some titles for the next Archbishops' Council's report (which probably guarantees that they will not be used, but hopefully they will). I base this on Galatians 6. Perhaps we could call the next report *Sowing to the Spirit* because then we will reap a harvest of righteousness. Maybe we could call it *Moving with the Times* or *Co-operating with God*. The political parties could teach us a thing or two. They have reinvented themselves, or at least one has done so, and one is trying to. We do not need to reinvent ourselves; we just need the courage to do God's will.

So I hope that we will take note of the Archbishops' Council's report, but I hope too that as a Synod we will encourage the Council to take risks and to go for it, not for our sake but so that we can be a blessing to the world and to the nation.

The Bishop of Durham (Rt Revd Michael Turnbull): It is a privilege to follow that telling speech from Mr Spiers, and what I have to say follows naturally on from it. I too want to thank the Council for a comprehensive report and an indication that the vision that we had is beginning to take shape; when we consider what has happened over the past two years and the bringing together of the central institutions and the boards, all together more or less under one roof, it is an astonishing achievement. There is an awesome volume of work represented in this report, a volume of work which is increasing while resources are decreasing. It represents a huge commitment of Council members, not least the two Presidents; and that commitment of the Presidents, I believe, has been essential in the opening years of the Council's life. I hope that the compilers of the Hurd commission's report will take careful note of that essential element.

All this has been against the background of new opportunities. Though we have less stipendiary ministry and likely to have that declining, there is a good deal more authorized ministry throughout the Church. There are many new approaches to mission and evangelism; new opportunities in education are opening up, as we heard yesterday from the Bishop of Blackburn, and there is an increasing and imaginative use of Church buildings. There are certainly advances in theological and practical approaches to newly emerging ethical and social issues.

Where I believe that the Council need to focus their attention is in making connections between all these new and encouraging opportunities that are opening up, especially in three areas. I hope that they will give some attention to making a connection between contemporary needs in the world and the known human resources that we have, and resources too of money and buildings. I hope that they will continue to make connections, secondly, between bishops and dioceses, on the one hand, and the Archbishops' Council, on the other. Initiatives and decisions now being taken in individual dioceses actually affect the shape of the whole Church. When we read in the Church press of announcements from Truro and Wakefield, I have to ask what effect that has on Guildford or Birmingham. We need better communication, therefore, between the Archbishops' Council and the House of Bishops, and I hope that that will be part of their programme in the early part of this coming year. Third, I believe that we need better connections between the Churches of England in the missionary situation in which we all find ourselves, ensuring that conversation and planning between the Churches concentrate more on the needs of society than on the preservation of ecclesiastical tradition. There are high and urgent expectations of conversations with the Methodist Church, and I hope that we shall not just be content in that regard with going over old ground in the context of the new missionary opportunities that are opening up.

This making connections is the particular role of the Archbishops' Council. In other words, we need to be asking how the parochial system is evolving into a new shape. What are the new demands across the Church which are being made of laity and clergy in leadership and ministry? Do we promote bold and imaginative allocation of resources, including dwindling clergy full-time resources, to the most needy of mission areas? What are the legal inhibitions to mission which should now be scrapped? Are we confident that the next generation of clergy is actually being prepared for new ways of being the Church? Most significant, are we drifting, driven by finance, into a patchwork of decline and admirable but often desperate initiatives, or are we planning to be an effective missionary Church, given to new patterns of resources which God is certainly giving to us?

These are some of the questions which shape the strategic role of the Council in the future, and I hope that the next report will see evidence that they are being faced.

Mrs Elizabeth Fisher (Birmingham): At Pentecost Sunday this year I was sitting in the cathedral church of Yejmiadzin, the holy see of Armenia, during the celebration of the liturgy. The sight and sound of that Eucharist will stay with me forever. This year was one of those few rare instances when East and West celebrate Easter and Pentecost together. It was an occasion of great joy, and I believe that I was singing the tune of the angels – or I hope I was, because I had precious little idea of what was being said in human terms, given that there were no prayer books and, even had there been, the language and the script itself were completely impenetrable to me, at least – yet it was the song of the angels.

This year is the seventeen-hundredth anniversary of Armenia's becoming a Christian country and I was there on behalf of the Conference of European Churches. As other ecumenical travellers know, it was not exactly a luxury holiday but what was not supplied by the warmth of central heating was made up for by the warmth of the reception that we were given, especially whenever I said that I was a member of the Church of England. In small churches in small villages, a priest was likely to know about us; he may well even have had part of his higher education here. What became evident to me was that the relationship with this oriental Church goes back well beyond the great conference in Edinburgh which marked what I was told was the beginning of the ecumenical movement. Relationships with the Armenian Apostolic Church go back at least to the nineteenth century, and I was told that some 150 years ago the use of a church was shared by Anglicans and Armenians in Cilicia.

The seeds of unity do not always sprout instantly, as we tried to say yesterday, but by grace they do bear much fruit. In today's world we are all inveigled into living towards a close horizon and by a short timescale, yet this visit to Armenia reminded me of the wonderful legacy that past commitment by our Church to unity has already yielded, sometimes in the most unlikely places, in the worldwide community of faith. Our commitment of prayer, energy, intelligence and financial resources to this great part of God's purpose must not falter and that is why I most warmly welcome the report GS 1414. In calling the two themes of worship and unity fundamental, I congratulate the Archbishops' Council for listening and responding to the call that some of us made in this Synod in November last, that the Church be loyal to the gospel imperative of unity. Worship is apparent; it is what the Church does week by week and day by day. My fear in November was that, if we failed to flag up the search for Christian unity, that theme would be out of sight and out of our collective mind. We might even forget to hum the tune as our minds get bogged down by the more pressing demands of finance. Being a member of conversations with other Churches, I know how difficult the hidden task of these conversations is, and I am grateful for its placing as fundamental to our work in this quinquennium.

In November I was left with a concern about whether or not proper resources would be made available for our work. We had, in early budget decisions, already frozen our contribution to the ecumenical instruments. Now I see that we have this change in our status and that unity will be provided with the resources that we need, as notified in GS 1421.

Next week I will be back here in this assembly hall for the General Assembly of the United Reformed Church. They and our other ecumenical partners here and in continental Europe will take note of how we vote and no doubt take heart that we really are committed to unity. So thank you, Archbishops' Council, for listening and for making the search foundational to all our tasks. Now that it is down on paper, all of us in the Synod, whether we are members of the Archbishops' Council or the Council for Christian Unity or of neither, must work and listen to hear the songs of unity, and pray for that unity which Christ willed. Those who work and pray for unity

are casting the bread of peace upon the waters; let us be confident that even after many days it will return to us in double measure.

Canon Barrie Gauge (Derby): I want to make specific reference to page 25 and paragraphs 44 and 45. (There is no need to look them up at the moment but you may want to later.) Last July Synod approved the report *First to the Lord* on funding the Church's mission, and commended it to the dioceses. The report focuses, among other things, on promoting Christian giving as a discipleship issue, the responsibility of the household of faith. My experience in the Diocese of Derby is that, challenged by the principles outlined in that report and referred to in the report under consideration this morning, there is beginning a shift in the culture of giving, away from the 'How little can I get away with?' to 'How can my giving express my discipleship and take seriously the teaching and the benchmarks of Scripture?'

There is in the report a challenge to all who are able to make their giving tax-efficient. The Gift Aid path makes that so much easier, and we are grateful to the Chancellor of the Exchequer for allowing us to do it. Our experience in the cathedral at Derby is that slowly but surely many are now getting used to the habit of putting their offering into an envelope provided with the service booklet and enabling an audit trail of the giving by signing the envelope. I know that many other churches are in this position.

I was, along with many others, not a little surprised, having gone to the Minster yesterday armed with a pen, not to see a Gift Aid envelope. What a waste! The plates seemed well filled with notes (as you would expect from a congregation made up of General Synod members) and my rough estimate would be of an offering yesterday of between £3,000 and £5,000. At least, it should have been. Gift Aid could have produced at least £500–£1,000 extra. It may be that the Minster can afford to lose that – they may not need it – but it could certainly have helped a number of churches that I know.

As a Church we are increasingly ecumenical. We now welcome all denominations (though we prefer tens and twenties). However, we want to be graceful also in receiving the generosity of the Chancellor of the Exchequer. To ignore this pathway, as it seemed to me happened yesterday, is very poor and, may I suggest at great risk, rather lazy stewardship. I hope that next year my pen will be of use in the Minster.

The Bishop of Chelmsford (Rt Revd John Perry): I would like to address the section, on page 23, on the Committee for Ministry among Deaf People. It has been my privilege to chair the Committee for Ministry among Deaf People for nearly twelve years now, and over this period I have seen the work among deaf people go from strength to strength. For example, there are now a number of profoundly deaf clergy and readers, and others in training, chaplains and ministry teams have been appointed in the majority of our dioceses, training programmes put in place, deaf people taking their rightful place in synods, an integrated partnership with the National Deaf Church Conference and the Royal Association in Aid of Deaf People.

An important milestone was the debate here in York three years ago on the report *The Church among Deaf People*, which was introduced by a profoundly deaf chaplain and enthusiastically received by the Synod, as indeed was the subsequent act of worship, which included sign language. It was a very moving experience for many who were present.

Now, with the current freezing of appointments, which is coinciding with the impending retirement of Canon James Clarke, the secretary to the CMDP, the work among deaf people has suddenly become very vulnerable. Over many years Canon Clarke has played a vital role centrally and also in his work round the country in co-ordinating and supporting the work of the chaplains, as well as being a highly respected advocate for ministry among deaf people both nationally and internationally. Part of his brief has also been to cover disability issues for the Ministry Division.

Not for one moment do I want to ignore the huge pressures among the central staff with the inescapable savings that have to be made in the present financial situation, but I do want to indicate to Synod my acute anxiety and that of all the chaplains who met in June at the University of Kent that a work which has gained such substantial support and strong endorsement from this Synod only three years ago will be seriously jeopardized if a successor to Canon Clarke is not appointed.

Members will notice that in the opening paragraph in the report from the Archbishops' Council about this particular committee there are already signs that some deaf people feel that the Church is turning its back on them by reducing the resources provided for them. I want then to underline three main reasons why I hope that this Synod will continue to give its total support to this important ministry.

First, by the very nature of its work, ministry among and with deaf people can at times be very isolating. Co-ordination and support for the chaplains, in particular, from the centre is vital. Second, cutting out this post at the centre would have a ripple effect across the dioceses; subsequent diocesan cuts in chaplaincy provision would almost inevitably follow. Third, and the most important reason of all, deaf and deaf/blind people have a history of feeling outsiders. Substantial gains have been made in recent years to address this and to welcome gladly the gifts and ministries that profoundly deaf people have to offer. I fear that if this central post is lost it would once again be a signal that the Church regards deaf people as marginal.

One of the key recommendations accepted by Synod in the report *The Church among Deaf People* three years ago was that the Church of England at national and diocesan level takes responsibility for helping people to appreciate the gifts and to understand the needs of all deaf people, and for putting energy and resources, people and finance, into using these gifts and meeting their needs. They have so much to bring to the whole life of the Church and our communities. I believe that we see in the gospels how often Jesus himself was identified with those who so often are marginalized.

I hope that we will continue to honour our commitment to deaf people and to all

those who would be part of that concern, to see that their contribution continues to enrich the mission and ministry of the Church that we serve.

Revd Jonathan Alderton-Ford (St Edmundsbury and Ipswich): All of us in our various ways prepare for General Synod by asking the Lord what it is that we should say. I think that we spend a lot of time in prayer doing that. I think that we spend an equal time in prayer asking the Lord whether or not we will be called, and I thank the Chairman for answering my prayers.

What is it that I believe God is saying to us at this time? He has been saying to me that he wants each and every person in this room to know how much he delights in each and every one of us, how he appreciates the efforts, the hard work, that often goes unnoticed and unpraised and is sometimes criticized. The Lord loves us; the Lord has a special place in his heart for each and every one of us, and for this Church of his, which bears his name.

However, there are some things that he wants us to do. First and foremost, we must reject a way of the world: we must reject the culture of blame. Parishes blame their deaneries; deaneries blame their dioceses; dioceses look across enviously or resentfully at other dioceses. Various groups and committees are blamed by various other groups and committees, as the ones who are not in touch, not facing reality. This must end.

I was going to say at this point – I will say it – that everybody blames the Communications department. It is not fair, and I will tell you why. We need to have a little more realism about what we are trying to do. I am a one-minute manager. That means not that I do everything in one minute – though that is perhaps what my curates tell you I do – but that I have read the book; and the crucial thing is getting accurate job descriptions for the tasks that you want people to do. Our biggest problem is that we have too few people doing too many things. Why should we be surprised when occasionally they drop the eggs and something gets broken? We have to think much harder about what it is we really want people to do and let them do it with our approval and our support.

More than that, it means setting priorities and sticking to them. We are beginning to do that and it is good, but then we begin to say, 'Ah, but we've forgotten this, that or the other.' The art of setting priorities is that we say, 'These are the things we're going to do now, these are the things we're going to do soon, these are the things we cannot do and these are the things we will not do,' and we stick to it. Then we will succeed.

Perhaps the most important thing of all is ownership. Parishes, dioceses and individuals need to own the vision. This sounds all very businessy, all very worldly, all very structural management, but let us look at the theological background. One: Jesus never blamed anyone. He had some sharp things to say but he never blamed anyone. Jesus called, he commissioned and he shared his life, and then he sent out. There you have it: ownership through participation and sharing, the setting of priorities, as we heard

in the Archbishop's sermon. Go out, heal the sick, prepare the way; these are specific targets clearly set out. He set priorities. Most important of all, he was realistic in what he asked people to do. Here is the question: if the task is too big for us, maybe it is not the task that we are meant to be doing? The ark was built one bit of wood at a time. The tribe of Israel got to freedom in its promised land one mile at a time. We will save this nation by God's help one day at a time.

The real task for us as Synod members in response to this report is to ensure that everyone in the C. of E., everyone we know, believes in this report, understands this report and, above all, owns this report. This should not be a time when we say, 'Oh, we discussed it', and forget about it. The real task lies ahead in communicating and sharing it with everyone we know, so that it becomes the document of the whole Church. Please, Synod, do that, I pray.

Canon Hugh Wilcox, in reply: May I thank the members of Synod who have taken part in this debate. In reverse order, I particularly thank Mr Alderton-Ford for the voice of realism and for challenging us to make this report our own. It is very easy – I speak as a Synod member of long standing – as he suggested, to read something and put it on one side, but if what we are at is going to work at all the whole Church has to make this vision its own, and we have to take very seriously the matter of establishing priorities.

To establish priorities means doing some things and not being able to do others, however much we have loved them or however much we may be committed to that piece of work. This is one of the hard things that the Council will have to deal with, but not only the Council, the Synod and the whole Church, because this is what prioritization is about.

I am grateful to the Bishop of Chelmsford for drawing attention to one area of work that is often forgotten. It also gives me the opportunity to thank, on behalf of the Church, Canon James Clarke for his remarkable work. We are certainly going to miss his leadership in that sphere. I can assure the Bishop of Chelmsford and deaf people in the Church that we are taking very seriously the point that he has made, and when we meet in September this will be one of the ingredients in our discussion of priorities. Let me say to Synod that the recruitment freeze is temporary, and it will be lifted once we have got the allocation priorities decided; but you have to have a freeze if you are going to make any progress in terms of deciding those priorities.

I am grateful to Barrie Gauge for his eloquent description of how Gift Aid works. Many people seem to find it difficult to understand. Indeed it is extremely simple and I hope that we can take that message back to our parishes and dioceses.

The question of unity was raised by both the Bishop of Durham and Elizabeth Fisher. We are of course committed to unity, as Elizabeth pointed out, as a fundamental, and the Council want to make sure that all our unity talks are ones which move towards

actual participation and partnership. The Council owe a great deal, as I said in my introduction, to the Bishop of Durham and to the Turnbull report and once again we are in his debt for the way in which he has set out what is basically our agenda for the next year and his challenging of us and the whole Church to see precisely the points where change is needed – and rapid change too. He spoke of bold and imaginative allocation and of legal inhibitions to mission, and I can assure Synod that those are firmly on the agenda of Council.

Last, but by no means least, I would like to thank Mr Spiers for beginning the debate on the note where it needed to start, which is Christ, the cornerstone of our mission. Can I say to the Synod that the Council's foundations are those of prayer and worship, our vision is the vision of Christ, and our purpose is to help the Church proclaim the gospel more effectively. We need your prayers and your support to make those hopes a reality.

The motion was put and carried.

THE CHAIR *Mrs Diana Webster (Europe)* took the Chair at 10.30 a.m.

Annual Report by the Audit Committee (GS 1426)

The Chairman: Under SO 112 the Presidents have invited Mr Ian McNeil, Chairman of the Audit Committee, to address the Synod.

Mr Ian McNeil: I have much pleasure in presenting the report of the Audit Committee of the Archbishops' Council. I am not a member of the General Synod – my role is limited to making this report – and I am grateful to Mike Tyrrell, a fellow member of the Audit Committee, who will formally move acceptance of the report, following this introduction, and also deal with any points arising. This leaves me in the happy position, not always accorded to members of the laity, of addressing a distinguished gathering without any possibility of being questioned on what I have said.

The Council's Audit Committee came into existence in August 1999 so the first year was largely one of settling in and planning for the future. The Committee is now well into its stride and I believe that we have completed some useful work over the past twelve months. The purpose of the Committee – as the name 'audit' implies – is to listen and to hear what is being said by those concerned with the financial statements. We do not exist just to say 'Hear, hear'. If there are serious concerns which remain unresolved we are responsible for ensuring that you hear of them too.

First, we listened to the external auditors, PricewaterhouseCoopers, and we were pleased to receive an unqualified audit report and a management letter which reflected significant improvements in the all-round financial arrangements of the Council. This

is a testament to the hard work put in by the Council's chief accountant and his staff. In this context I can now also report that much work has been put into the bank reconciliation difficulties referred to in paragraph 8.2 of the report, which relate to a changeover of computerized accounting systems. I am advised that these matters are now well on the way to resolution and the Committee will continue to monitor this important aspect of internal financial control.

Second, we listened to the financial statements to see if they were speaking clearly in the form most likely to fulfil their purpose, that of providing a true and fair view of the financial resources of the Council while complying with statutory and regulatory requirements. There is a fine balance to be struck between full disclosure and excessive detail.

With reference to paragraph 6.1, we spent some time discussing the status of the Central Church Fund and its relationship with the Council. We were pleased that the Council's Finance Committee subsequently accepted our recommendation that the Fund's financial activities should be fully consolidated into the Council's accounts as well as being published separately, to ensure that Synod has the fullest information about the work of the Fund.

Third, we listened to the internal auditors who have produced a number of reports for our consideration and who have discussed with us the priorities to be applied to their work. They did not produce any substantial concerns but have suggested a number of areas where improvements to internal systems might be made. In this connection we were glad to have the opportunity to contribute towards the review of the IT security arrangements in place at the Council, which are referred to in paragraph 7.2 of the report. We were particularly pleased that the policy document which emerged from this process has now been formally adopted by all the other national Church institutions.

Paragraph 7.4 refers to the need of both the Audit and Finance Committees of the Council to address the implications of the revised accounting requirements for charities which will impact on the financial statements for 2001. One requirement is a statement that any major risks to the organization have been reviewed and systems put in place to mitigate them. This is a very complex area for a Church called to take risks. A preliminary discussion has taken place in the Committee and work by the internal audit section has already started on this important issue. The Committee will be majoring on this in the months ahead.

I was glad to have the opportunity in November last year to meet the chairmen and secretaries of the Church Commissioners' and Pensions Board's audit committees to discuss matters of mutual interest. One issue discussed at that meeting was the possibility of all three bodies engaging the same firm of auditors, and it was agreed that each would formally consider the pros and cons in reviewing their individual audit arrangements for 2002. As paragraph 4 of the report states, the Council have already decided to put their appointment for that year out to competitive tender.

Last but by no means least, let me take this opportunity to thank the other members of the Audit Committee for their valuable contribution and support over the past twelve months and the staff of the Archbishops' Council Finance Division for all their effective and efficient work and commitment throughout that period.

Chairman, I hope that you will forgive me for not using the full time that I understand I have been allotted, but I think that this is a sin which you may be very ready to forgive! With a name like McNeil, I wish to avoid the tradition for lengthy discourses such as the one where a visitor, arriving towards the end of a service at the kirk, enquired of the beadle, 'Has the preacher finished?' and received the reply, 'Aye, he's finished but he hasn't stopped.' This is my moment to stop and hand the responsibility to Mike Tyrrell. Thank you.

Mr Mike Tyrrell (Coventry): I beg to move:

'That the Synod do take note of this Report.'

The Chairman imposed a speech limit of five minutes.

Mr Richard Rand (Winchester): This is my maiden speech. I had anticipated being able to make one to Synod on a more riveting subject than this. As it is, may I make just a couple of comments?

I refer to Ian McNeil's note 4 on page 2 of the Audit Committee's annual report, to which he has referred. As a chartered accountant and registered auditor myself, while I endorse all the principles expressed in his report, may I very strongly endorse the suggestion that PricewaterhouseCoopers, having been the external auditors in various guises for 75 years, should be subject to a competitive tendering process in 2002? I really do think that all appointments of this nature – not just audit ones – should be put out to tender every three or five years, say, and perhaps the Audit Committee could reassure Synod that this has been considered or, if not, that it will be. We must be satisfied at all times that we are getting best value for money.

As a deanery finance committee chairman, I, like many others and, I am sure, most, if not all, of us here in the Synod, hear increasing clamour from our parishes that all expense must be constantly challenged and examined.

Mr Mike Tyrrell, in reply: Thank you, Mr Rand, for your comments. As you will see from paragraph 4 we are putting it out for competitive tender so PricewaterhouseCoopers can sleep less securely in their beds at least. That is one of the advantages of the new Audit Committee. I was on the CBF for many years and I always wondered how on earth we could get a view of competitive tender because it never seemed to be possible; now we have the Audit Committee, the opportunities appear because the Audit Committee has that responsibility. The Audit Committee, you see, is your Rottweiler committee: it is meant to do things to make sure that any

concerns are dealt with. The purpose of having this report is to ensure that our bark is matched occasionally by our bite. The pack of Rottweilers, as you will have gathered, is led by Ian McNeil, and we are delighted that he is here. I want to say thank you to him on behalf of Synod. He comes without any knowledge of General Synod, which is annoying for us on the Committee because we think that he ought to know but is ideal for the Synod because he asks the simple, direct questions and he also makes sure that occasionally, when the Rottweilers want to get off the leash and ought not to, they are kept back. When they are off the leash, he makes sure that they get home.

Please support the resolution.

The motion was put and carried.

THE CHAIR *Canon Frank Dexter (Newcastle)* took the Chair at 10.45 a.m.

The Chairman: Before we move to the next item on the agenda members might be interested to know that the pub-style quiz organized last night by the Open Synod group raised £275 for the Addington Fund. I am told that the team that won was of very mixed churchmanship!

Financial Issues Facing the Church

Review of Allocations and Apportionment (GS 1420)

Archbishops' Council's Budget for 2002 (GS 1421)

Presentation by the Finance Division

The Chairman: The next item will be a presentation; it will last for about 15 minutes, after which I shall take questions. This will be an opportunity only for questions, not for making speeches; that will come later in the agenda.

Mr Michael Chamberlain (Chairman of the Finance Committee, ex officio): We start Financial Issues this morning with a presentation from Shaun Farrell, the Financial Secretary of the Archbishops' Council; this is an updating of the presentation given to Synod last November, and brings into focus the significant developments which have taken place since then. In addition, I hope that Synod will find this overview helpful in considering the subsequent agenda items. At the end of the presentation, as you said, Mr Chairman, there will be time for comments and we will be pleased to try to answer them.

The Financial Secretary (Mr Shaun Farrell): The first development that I would like to report, which most of you will already be aware of, is in relation to VAT on repairs to Church buildings. At the time of last November's presentation we were still working hard to persuade the Government that the Church deserved additional help in looking after its historic buildings. That recognition subsequently came in the Chancellor's pre-

Budget statement at the end of last year and in the Budget itself in the spring. The grant scheme that was announced at that point will be the equivalent of a 12.5 per cent cut in the rate of VAT paid on repairs to listed churches, will be backdated to all work commenced after 1 April this year and, on a conservative estimate, should save the Church of England at least £10 million a year.

As has been reported in response to Questions on Saturday evening, we are still waiting to hear from the Government when the scheme will actually start and exactly how it will operate, but we are doing all that we can to hurry that process along. In the meantime the firm message to all parishes is that there is no reason to delay any repair projects but to make sure that they retain all the relevant documentation so that a retrospective grant claim can be made in due course.

Another key issue on which further progress has been made is the review of stipend levels. The review group is close to completing its work and its final report will be published in the autumn, but the results of a clergy survey, which was carried out as part of that review, were published in May and attracted quite a lot of media attention. This was based on responses from over six thousand clergy (almost two-thirds of those approached) and has helped to inform the group's work. The key findings of the survey were as follows.

Eighty-one per cent of clergy have a spouse and 46 per cent have spouses in paid employment; fewer than 5 per cent of clergy receive State benefit (other than child benefit); 38 per cent own a residential property other than the parsonage; 77 per cent have capital reserves or savings, but 38 per cent had to draw on these for normal living costs in the previous year; 32 per cent had debts (other than mortgages and car loans). The map showing on the screen behind me indicates where clergy felt that their parish could afford to pay the full cost of the stipend and pension contributions: over 40 per cent said that they could in the dioceses coloured blue, 30–40 per cent in those coloured green, 20–30 per cent in those coloured yellow, and under 20 per cent in the diocese coloured red (Liverpool). When asked what would be a reasonable stipend, 9 per cent said that it should be £17,000 (almost exactly the current average stipend); 14 per cent said £17,000–£19,000; 28 per cent said £19,000–£21,000; 7 per cent said £21,000–£25,000; and 10 per cent said over £25,000 per annum. The remaining one-third of respondents did not answer that question. When clergy were asked about their job satisfaction, 18 per cent said 'adequate'; 49 per cent said 'good'; and 25 per cent said 'excellent'. So 92 per cent said that their job satisfaction was adequate or better.

Anyway, more of this later in the year when the stipends review report is published.

However, by far the most significant development over the past seven months has inevitably been the publication of the results of the actuarial reviews carried out by the Church Commissioners and the Pensions Board. The results of the Commissioners' review will be covered in more detail this evening when they present their annual report but show an improved position from three years ago, with slightly more money

being available for distribution and rather less of their assets earmarked against their past service pension liabilities.

However, the result of the first triennial review of the clergy pension scheme provided a rather more challenging picture, which has been set out in detail in a letter to all Synod members from the Chairman of the Pensions Board. While the investments in the new fund have performed well, other factors outside the Board's direct control have led to the need for a significant increase in the contribution paid by parishes through their dioceses to support the current package of benefits. The increase required takes the rate up from 21.9 per cent of the pensionable stipend to 29.1 per cent with effect from 1 April next year. There will be a further increase to 29.5 per cent in 2003 when the fund assumes the cost of its own administration, which has hitherto been met by the Commissioners. However, this will leave them with an equivalent sum to distribute as extra parochial ministry support. The increased contribution rate means a rise in cash terms from around £3,500 per minister per annum to £4,600 per annum, or £12 million per annum for the Church as a whole.

The impact of this additional cost can be seen in pictorial form in the next slide, which is an update of one that I showed last November. This illustrates the additional costs that the parishes have been taking on over the past decade. The green segments represent the extra costs taken on as a result of the cut-back in the stipend support from the Church Commissioners. The red segments show the impact of the introduction of the clergy pension scheme in 1998 after taking account of transitional relief. The blue segments at the top show the effect of the increase in the pension contribution rate that I have just referred to. In total, we are looking at a transfer of funding to the parishes in excess of £90 million per annum over that period.

As you will have seen, there are four main reasons for the increase in the pension contribution rate. First, clergy are living longer, and even longer than the general population, and therefore spend longer in retirement. Some allowance had been made for this, but the improvement in longevity has surpassed previous expectations. Second, future investment returns are likely to be lower than was assumed when the fund was started because of changes in market conditions. Like longevity, this is a factor that is impacting on all pension schemes. Third, stipends (to which pensions are currently automatically linked) have risen faster than dioceses felt would be possible when the scheme was introduced. Fourth, the initial contribution rate adopted for the scheme was, at the request of the dioceses, set at the lower end of the range presented by the Pensions Board's actuaries, so an element of catching up is now required.

Although most dioceses had been anticipating that the contribution rate would rise, most were taken by surprise by the actual size of the increase. This raised inevitable questions about their ability to find the extra money concerned. In response to those concerns, two specific steps have been taken. First, the Church Commissioners were asked to consider whether they were able to make additional transitional relief available to help phase in the increase, and they have since confirmed their willingness

to find another £10 million over the next three years. This is in addition to the £60 million that they have provided since the new scheme was introduced in 1998. The additional £10 million is being provided on a selective basis, according to need, but all dioceses will be offered some help in 2002 when the increased contribution rate takes effect.

Second, a small working group has been set up and is already engaged in an examination of the current retirement benefit arrangements and the possible options for change. The group will be looking at a number of other financial initiatives currently under way and how their implementation will impact on each diocese. It will therefore be taking into account the Darlow review of allocations and apportionment formulae which Synod will be discussing very shortly; the stipend levels review that I have just referred to; the future of the guaranteed annuities scheme, currently amounting to just under £5 million per annum (small grants currently paid to most incumbents as part of their stipend); the future distribution of the additional allocations of around £2 million per annum, which the Commissioners are currently making in lieu of the cost of administrative functions that they passed over to the Council as a consequence of the Turnbull restructuring; and finally the distribution of the additional money, amounting to around £3 million per annum, which the Commissioners will make available as a consequence of their improved financial position.

The aims of this work are to produce an overall financial strategy by the autumn which can be discussed by the Synod in November via the various steps shown on the slide.

I hope that Synod has found this short update useful. Michael Chamberlain, Allan Bridgewater and I would be happy to try to answer any immediate questions that you may have.

The Chairman: The Synod now has the opportunity of putting questions on the presentation only, not on the substance of what might be before us later this morning. Although rules of Question time do not apply, it is important that we have questions and not speeches.

The Bishop of Worcester (Rt Revd Peter Selby): One of the factors mentioned in the presentation about the actuarial review was clergy living longer in retirement. This of course has two factors within it. One is that we are living longer and what in the jargon of the thing is called 'favourable mortality experience': we all find that good news! What I am concerned about is whether there has been any serious investigation of what my anecdotal experience suggests might be the case, which is that there is a tendency for clergy to retire earlier than they have in the past. Notwithstanding the very welcome news that clergy speak of a high level of job satisfaction, I would like to ask whether there are any grounds for the concern that some of us feel that, if there is a tendency for people to retire nearer to the minimum age, it might also be affecting the calculations.

Mr Allan Bridgewater (The Church of England Pensions Board, ex officio): In response to the Bishop of Worcester's concern, can I share that the Pensions Board in fact produced a report expressing some concern about the incidence of early retirement among the clergy. That report was prepared some 18 months ago. Our concerns were based in two ways. First of all, we were concerned that in the selection process the physical and mental pressures brought to bear on clergy were fully taken into account; indeed a number of those early retirements were connected with stress-related illnesses. As far as the actuary is concerned, he does take into account an incidence of early retirement, and I can reassure Synod that in so doing we are satisfied with regard to the proposed funding rate; but it does remain – thank you, Bishop – an issue of some concern in the general field.

The Archdeacon of Durham (Ven. Trevor Willmott): In welcoming the financial strategy to which Mr Farrell has spoken, may I also reflect on the Bishop of Durham's comment earlier today about connections and ask what work is being done to connect financial strategy to the strategy for deployment of ministry. It seems to me that we cannot answer one without the other.

The Chairman: We will come back to that later.

The Bishop of Peterborough (Rt Revd Ian Cundy): I just want to follow up the Bishop of Worcester's question because, while I think that it is rightly a matter of concern that people are retiring earlier – in other words, at 65 rather than 70 – I think that the financial implications for that are zero because we still have to pay them if they are in active service or if they are in retirement; so all it is doing is increasing the pensions budget but decreasing the stipends budget. I think therefore that the financial effect on the Church is probably minimal from this trend, though for pastoral reasons concern may rightly be expressed about it.

Revd David Butterfield (Lichfield): Congratulations to the financial department on such a splendid presentation, both now and in November, and also for this document *The Church's Finances Today* which is a superb eight-page digest of where we are at, so that we ordinary Synod members can understand precisely where we are. My question is: would there be any possibility of something like this being given to our PCC members who are the paymasters, so that we understand at the grass roots exactly where we are? I believe that the people on our PCCs just do not understand the issues which are facing us, and it would be tremendous if they could grasp them by reading this; it would also help to motivate giving to a greater degree.

Mr Michael Chamberlain: If I could deal with that last point first, there has been a distribution to Synod members of the information; there are additional copies available and we will ensure that a copy goes to parish treasurers. There is of course information on the web site in respect of this, but we will take the point up because from my own experience it is absolutely essential that as many people as possible understand what the finances are.

Mr Chairman, with your permission could I ask Gordon Kuhrt to answer the comment on ministry deployment?

Ven. Gordon Kuhrt (Director of Ministry): The Deployment, Remuneration and Conditions of Service Committee of the Ministry Division sends round a questionnaire to every diocese every year, asking how many clergy the diocese is going to employ over the coming five years; so it does a five-year projection. This exercise has been done now for several years and is becoming more and more thorough in its rigour. This is the way in which the dioceses themselves bring together their financial resources and their deployment policies. Those figures are all collated and produced for the House of Bishops every year.

Mr Tom Sutcliffe (Southwark): Has any thought been given to reducing or freezing the increase in stipends or paying greater differentials according to regional living costs to help plug the pensions gap, since the high level of clergy satisfaction could probably be reduced a little, from the point of view of the laity, if in fact we were to find the actual cost of funding the generous pension arrangements slightly more manageable.

Mr Michael Chamberlain: I am not quite sure what level of clergy satisfaction percentage reduction would be acceptable! The important point is to recognize that there is work being done, as part of the stipends review, which Shaun Farrell has referred to and which will be coming to Synod, and also the work which is now being done in connection with pension benefits. These two issues are being pulled together, and the Deployment, Remuneration and Conditions of Service Committee will be reporting in due course to the Archbishops' Council and thence to Synod. So these points will be taken into account.

The Archdeacon of Sheffield (Ven. Richard Blackburn): Does an actuarial review actually have to be accepted? Who says that actuarial advice has to be taken and by whom? I ask the question simply because it seems as though it was taken, but certainly not by the dioceses, and that consultation with the dioceses was coterminous with a press release that came out at the same time as notification was made to chairmen of DBFs, which left dioceses feeling stranded and rather sidelined in this. Could not a greater lead-in time be given rather than less than twelve months for us to have to accept the implications of this increase, and is it recognized just how unpopular pensions have now become around the dioceses and how it threatens our ability to meet our budgets properly when once again we have had to go out and cite this end-of-salary non-contributory pension scheme as the reason for our seeking more contributions from parishes?

Mr Allan Bridgewater: Each pension fund is required to appoint an actuary, appropriately professionally qualified. That actuary has at a point in time to sign a certificate indicating that, according to his professional evaluation, the assets in the fund and the current and future funding rate will be at all times sufficient to meet the liabilities of that fund in accordance with the current range of pension benefits. We are

all conscious of the time-frame, and I thank you very much for raising that. Most of us who are summoned by Synod to answer questions may feel a sense of relief if our number is not called, which was the case as far as I was concerned on Saturday evening. However, I did have a sense of disappointment because I am very conscious, as indeed are other members of the Pensions Board, that this issue is not just topical but extremely pertinent.

As regards the recommendations of the actuary, I sought in my letter to members of Synod to explain the process through which we had gone in reaching, as a Board, a conclusion, which we are required to do, having regard to our legal responsibilities as trustees. I had invited the Secretary General and the Chairman of the Finance Committee to be present when both the presentation and the discussions and the conclusions took place.

I believe that there are a number of lessons that we can each learn from this current situation. We need to address the question of counting the cost in a much more businesslike manner, and I do not intend that to imply criticism. We need to help each other to address, in a disciplined manner, the budgetary issues that confront us, both at the centre, in dioceses and in parishes. We need to have opportunities to check points and consider whether the conclusions and the assumptions made by the actuary are in fact comparable with the experience at the time; and I have indicated that the Pensions Board has asked its actuary to report annually on whether his assumptions can be contrasted with experience and a revised view, looking to the future.

As has already been mentioned here in Synod, we need to work harder at our communications, but I believe that to be a collective responsibility, not amongst only the national institutions and between us and those of you who have local financial responsibility. Perhaps we need to develop a better personal awareness, through the media, of what is going on in the world of finance.

In conclusion – for fear that I am ruled out of order – may I say that I totally agree with the Bishop of Durham? Our priority is first to examine and discharge our mission, and I believe that the Lord will find the fuel of finance to enable us to do that in a proper manner, having regard to his servants whom we should remunerate in a fair and proper manner, not only in their active service but when they retire.

Mrs Mary Weston (Leicester): Just a point of clarification on the VAT that was considered at the beginning. On the slide it said that the Government grant was going to be equivalent to a cut of 12.5 per cent in the VAT, and I am confused about that. I thought that the Government grant was going to be equivalent to reducing the VAT liability to 5 per cent, which I do not think is the same as a 12.5 per cent cut in VAT.

Mr Shaun Farrell: I think that the maths does work out. The current rate is 17.5 per cent; the reduction would be to 5 per cent, so that is 12.5 per cent in my book. I am confused by the question.

Ms Sallie Bassham (Bradford): I too seek clarification. It is on the Bishop of Peterborough's point. I do not understand why there is no additional cost if clergy retire early or earlier. Surely this would only be true if their parish or diocese or archdeaconry or whatever did not get another stipendiary priest? If any diocese does have such a policy, that there should be longer vacancies if their priests leave in such circumstances, will they please make themselves known?

The Archdeacon of Stoke (Ven. Alan Smith): I wonder if I could just return to the question of bringing finance and policy back together. I was grateful for the response that over several years dioceses have been feeding back their figures on the number of clergy that they expected to employ. I note, though, that the questions related to the increased levels of pension contributions are raising discussions with an urgency around the place, where we are not sure how we are going to deal with it. I hear informally people talking about not being able to take their full complement of curates in the next year, and if a number of dioceses like Truro and Wakefield decide to cut their numbers of clergy altogether, we might find ourselves very rapidly in a position where we cannot take on all our curates in the next year or suddenly find significant numbers of clergy unable to get posts or indeed to be unemployed.

It seems to me that we need very quickly, this year, even if it is just on an email circulation, to be very clear about how dioceses are hoping to respond to this immediate increase. I would like to know if we are going to have some soundings taken immediately so that at least we know if there is going to be a problem and so that we are aware in the dioceses of what that problem is going to be, and how therefore we may respond to it.

Ven. Gordon Kuhrt: With regard to Sallie Bassham's question, I think the answer is that at the moment in the Church of England we do not have a pool of unemployed clergy. I realize that you will hear of a few stories where it is alleged that people cannot find a job, but from my investigations into those I usually find that someone has had particular problems and therefore is not going to be offered a post or, more often, that the clergy are laying down such tight parameters of where they need to work, because of spouse or children or aged parents or whatever, that it is very difficult for bishops and patrons to find an appropriate job for them. I think that that is the answer, although I am not the kind of mathematician that Sallie is.

With regard to the last speaker, the Ministry Division is profoundly anxious about the policies adopted in dioceses and at this soft option of actually cutting the number of ordinands to become deacons next summer. This was discussed in the House of Bishops; I hope that I am free to say that the House of Bishops declared that they wanted to give the full numbers according to their apportionment. If one or two dioceses do go for that option, then we do hope very strongly that there may be some other dioceses that may be willing to take a few extra. It is no secret to say that the DRACS Committee of the Ministry Division believes that that would be a profoundly dangerous step. It is an easy step to take, to manage the diocesan budget, but it is a

very dangerous one because previous experience indicates that the effect on vocations could be quick and dramatic.

A member: On a point of clarification, Mr Chairman –

The Chairman: No, I do not think that I can allow it; I think that we have come to the end of that item and must now move to the next item, in preparation for which we have another presentation.

Mr Michael Chamberlain (Archbishops' Council, ex officio): I beg to move:

‘That this Synod approve the recommendations for the calculation of the central apportionment of the Archbishops’ Council’s budget as set out in paragraphs 1 to 6 of Annex A of the report (GS 1420).’

I am presenting the report GS 1420, which contains the recommendations of the review group chaired by Stewart Darlow. In the light of the amendments to Item 27, and as indicated in the order paper, I am focusing separately on the proposals for apportionment and those for allocations. Having said that, there is a great deal in common between the two, and in order not to bore Synod I will deal with the common issues together.

The Synod is today being asked first to approve modifications to the apportionment formula; second, to comment on the proposed new approach to the distribution of stipend support for allocations. As indicated, the final decision on the latter lies with the Council, but clearly they will want to take account of Synod’s views.

The current system for central apportionment is one that has been used by the Central Board of Finance for many years. The changes proposed represent a fairly minor change in the way the financial position of each diocese is currently assessed. As a consequence, the group’s proposals for apportionment have attracted very little in the way of adverse comment during a two-year period of extensive consultation.

The new approach now recommended is that both formulae should use as their underlying basis the calculation of diocesan total resource. This uses just three factors. First, diocesan income, which is the money available to fund stipends in each diocese, mainly from its investments. Second, parochial unrestricted investment income, and that is parish money which is made available for all uses and is not held for specific purposes. Third, expected giving income, which is the amount of money which would be raised from giving within a diocese if all its church members gave according to the national average.

In 1999 the total resources assessed in this way was £388 million, as analysed on the slide. It will immediately be evident how important giving now is in the funding of stipends, and reference has already been made this morning to *First to the Lord*.

For the purposes of apportionment, this assessment of total diocesan resource is used in a simple formula to calculate the sum requested from each diocese. Any significant changes that arise in the resulting apportionment arise principally from the inclusion of up-to-date base information. During the period of the review group's work the figures have been frozen, and the new figures which are before Synod show a number of significant changes.

As I have said, there has been wide consultation on both the apportionment and the allocation and there has been little criticism in respect of the proposals for apportionment.

The motion was put and carried.

Mr Michael Chamberlain (Archbishops' Council, ex officio): I beg to move:

'That this Synod invite the Archbishops' Council to implement the proposals for selective allocations set out in GS 1420, on the basis of Option 1 in paragraphs 7–8 of Annex A to GS 1420.'

I am turning now to the question of selective allocations and the invitation to Synod to comment on the proposals which are in GS 1420.

As I said just a few moment ago, there is commonality between the data for apportionment and allocations. When it comes to allocations, however, the formula goes one step further, to provide a figure of 'resource per minister'. This continues the policy of interpreting need as being primarily indicated by the lack of financial resources for supporting parochial stipendiary ministry.

The total funds to support this vary from as little as £25,000 per minister in places like Durham, to over £69,000 per minister in Guildford: a clear picture of the significant differences. Seen in the context of the current annual cost to a diocese of a stipendiary minister of nearly £28,000, it leaves very little for some of our poorest dioceses to spend on other costs. This emphasizes why the limited resources at our disposal need to be concentrated on those that need it most.

The new arrangements favoured by the review group described in Option 1 in the report would distribute the limited amount to 22 dioceses compared with the 30 receiving allocations now. A similar shift happened in the mid-1990s, when a previous change was made.

One of the issues to emerge from the consultation, which is expressed in the two amendments, is that the allocations formula should include a specific factor for deprivation. The review group considers that this factor is already adequately taken into account in its calculation of expected giving income. In view of these representations, however, it was only right that work has been done to evaluate the effect of distributing part of the available money – some £2.5 million – on the basis of

the most recent assessment of multiple deprivation by the Government. This alternative appears as Option 2 in the report.

Annex D in the report shows the results of this. It would make some money available to all but three dioceses, because virtually all dioceses have at least some deprived parishes. The key issue, I suggest, is whether those dioceses which have a high proportion of wealthier parishes should support their deprived areas without any central help; or, put another way, the extent to which there is sufficient mutual support within the diocese's own formula for collecting parish share. I think that is a very important point.

One interesting dimension which has emerged from this work has been how the position of some dioceses has changed over the last five years. The slide shows that in 1995 the dioceses with the highest concentrations of deprivation, as measured by the OxLIP index, were London, Southwark, Liverpool, Birmingham and Manchester. However, the new index paints a somewhat different picture, with London dropping to number 8 on the list and Southwark to number 18. It is obvious and recognized that the proposed changes are significant for some dioceses: significant for those who will receive less, but equally significant to those who are in urgent need of more support.

Whichever of the two options is finally decided by the Council, the impact on the dioceses will be phased in. The recommendation, which is set out in paragraph 20, is that the addition to parish share in any one year, as a direct result of the changes to both the central apportionment and the stipend allocation formulae, should not exceed 2 per cent. The impact of this is that proposed new arrangements would take several years to take full effect. Thus those in need will not feel the full benefit until the transition has ended.

I conclude this presentation by drawing Synod's attention to the summary of views expressed by dioceses set out in the report. This showed a two to one majority in favour of Option 1. However, when the matter was discussed at the recent House of Bishops' meeting in Liverpool, there was a strong preference in favour of Option 2.

The Council needs to make a decision soon. It is glaringly apparent from the facts that I have given, and about which you have read, that reallocation is urgently required. It is one small further step in the concept of mutual support which many are asking to be pursued. The length of time and the differences expressed during this very limited advancement of mutual support shows just how difficult it will be to achieve more substantial changes.

Could I therefore end by putting before Synod a quote from an address made at the Church Assembly in 1946 by the then First Commissioner:

The task of deciding how best to apportion the money available amongst the various dioceses had been a very difficult one. Ideally, the

right basis was the basis of the need of the respective dioceses, but how to ascertain and assess the respective needs of the dioceses was a very difficult problem. At one time it was thought that a Commission might be appointed to consult with the dioceses and consider their needs, but it would need to be a Commission of archangels to arrive at any really satisfactory basis in that way.

Stewart Darlow and his review group and the staff, particularly Shane Waddle, deserve our deep gratitude, even though they may not have yet reached such celestial heights!

The Chairman imposed a speech limit of five minutes.

Mr Tim Allen (St Edmundsbury and Ipswich): In yesterday evening's debate and in the excellent report *Renewing Faith in the Countryside* we heard a lot of words about renewing commitment to the mission and ministry of the Church of England in rural areas. In particular, members of the rural Church will have been much encouraged by the words of the Bishop of Liverpool at the beginning of the excellent report. He says:

It is wrong to imagine that the tension in modern society is between the urban and the rural communities. They share remarkably similar experiences – poor infrastructure, lack of adequate transport, inaccessibility of banks and shops, few facilities for young people, housing problems and degrees of poverty. The gap is between rural and urban communities on the one hand and suburbia where resources are concentrated and the decision-makers live.

Rural churchpeople will also have been much encouraged by other parts of the excellent report, and in particular by the affirmation of the rural Church's special role which comes in paragraph 31, where the Board of Mission says:

The Rural Church through its people and buildings, churches and schools, has a perceived special significance not found in urban and suburban settings. It has a wide range of roles – spiritual, social and educational. Much of this special significance lies in the Church's central presence in rural communities over many generations; it is frequently the only remaining 'traditional' institution.

That was yesterday. Sadly, this morning, having been much encouraged by yesterday's words on their role as the Church in the countryside, people in the rural Church will be utterly cast down by today's deeds: the recommendations of the review group. For the net effect of either Option 1 or Option 2 will, I fear, be a transfer of resources away from the rural Church when allocation and apportionment are taken together. Thus the poverty and deprivation in parts of the countryside, which are rightly identified by the Bishop of Liverpool, will not be given help and thus the specially significant role of the Church in the villages, which is acknowledged by the Board of

Mission, will be jeopardized and not developed in the valuable ways suggested yesterday.

The rural Church will come out badly from either Option 1 or Option 2, because the formula worked up by the review group, whose work I respect in other aspects and whose work I accept is urgent, has no element in it to take account of the specific problems of the countryside.

What is needed, for the reasons that were spelled out so clearly in yesterday's debate, is an addition to the formula of a rural factor. I understand, because the staff of the review have been very kind in allowing me to see the papers, that at an early stage in the work of the review group such a rural factor was considered; but it seems to have been rejected because it was all too effective in reflecting the needs of the countryside. In the end, such a rural factor is not there.

The results of the new formula, when worked out, reflect this lack. As Annex D shows, under either option the allocation for the ten most rural dioceses is reduced in aggregate. The overall effect of the proposals without a rural factor, I suggest, would be that most of the predominantly rural dioceses would receive no net support from the combination of allocation and apportionment. That is certainly the case of my own diocese, but I will not labour that point because I know that other rural dioceses are in a much worse situation than we are, and because it would annoy some of my colleagues who feel that we should grin and bear it. I do draw it to the attention of the Synod, however, because such a perverse result, so far out of line with economic reality, surely must show that the Archbishops' Council should look again at the details of the formula and take steps to incorporate some sort of rural factor.

I want to emphasize that I am not calling for forbearance from the inner city. Their need is absolutely recognized. What I am asking for is a clearer and more generous understanding of the problems and opportunities of the rural Church on the part of suburbia where, as the Bishop of Liverpool said, 'resources are concentrated and the decision-makers live'.

The Archdeacon of Wandsworth (Ven. David Gerrard): I am grateful for the work of the Committee and I know how hard Stewart Darlow himself has worked, but I believe that, if the Archbishops' Council ratifies these proposals in full and introduces them from the beginning of next year, it will have extremely serious consequences. My modest amendment is designed to make sure that the change can take place smoothly, with maximum consent and without major divisions between the dioceses.

We heard earlier today that the situation has changed radically since these proposals were formulated. Dioceses have still not completed the phasing-in of the new pensions and, on top of that, we have the revised triennial review, with those additional burdens, and the transitional relief of which will probably be based on the Darlow proposals.

These proposals will have a very severe effect on many dioceses, rural as well as urban, including Bradford, Liverpool, Wakefield, St Edmundsbury and Ipswich, London and Blackburn. I use my own diocese only as an example, not as the most extreme case. For us, when the phasing-in is completed of pensions and the selective allocations, we will be £1.5 million worse off – equivalent to the stipends of 80 clergy, a quarter of the parochial clergy in the diocese. In a relatively poor diocese with few historic resources, 140 UPA parishes – over a third of them, not a few – and already with one of the highest giving figures of any diocese, we are looking into an abyss.

My second point concerns the work towards mutual support. If these proposals are implemented, there will be a gradation of assistance for the poorer dioceses according to need that is both right and proper; but for some dioceses – 21 under Option 1 – there will be no gradation at all. Those who just miss out receiving selective allocations will be in exactly the same position as the wealthiest dioceses in the country. If these changes happen, it will be likely to push into the background the much more thorough revision that is needed for all the dioceses to support each other. We must not rely solely on a small amount of selective allocations to balance out the vast discrepancies in wealth between various dioceses. We need a national sharing of resources in the Church.

The third element in my amendment is arguably the most important. As we have heard, the Darlow proposals have switched the basis of selective allocations from a basket of criteria, including unemployment and deprivation statistics, almost solely to Inland Revenue statistics. Everything now stands or falls on how reliable these are as criteria of relative prosperity. They are available and easy to find, but they have other major flaws. In many dioceses, including my own, we have a higher representation in our churches of the old, women and minority ethnic members than the average demographic spread. Professor Piachaud, a leading authority on social exclusion in the London School of Economics, and a churchwarden and a son of the vicarage, has written in the last weeks, 'The use of Inland Revenue average personal income, even adjusted for non-taxpayers, is seriously defective.' The Inland Revenue average exaggerates the income of Southwark's church members, and this I am sure will be true also of other dioceses.

A brief comment on my fourth point is that there needs to be some allowance made for the huge variation in living costs that exists in different parts of the country and for which extra income is often not adequate. A major social issue in London at present is the impossibility of finding affordable housing for middle income earners. This gives resonance to the Octavia Hill protests. Again, Professor Piachaud: 'In assessing needs it is indefensible not to take into account higher costs in some areas, particularly inner city' – and I would also include rural areas in that.

We must speed up the process towards mutual support to phase in pensions, and delay implementation, and I would urge you to agree with me that these proposed changes are too much too soon. Please support the amendment and send a clear message to the Archbishops' Council to think again.

The Archdeacon of Barnstaple (Ven. Trevor Lloyd): Having sat through some fairly frank-speaking meetings of the inter-diocesan finance forum, I would echo Michael Chamberlain's appreciation of the 'nearly archangel' Stewart Darlow, and also appreciation of Michael's own chairmanship of that body.

We spent a long time on this matter, debating it to and fro, and I think that there is a real possibility of causing even greater division among us if we postpone taking a decision. I want to say two things in favour of Option 1 and against Option 2.

Option 2, because it uses a method of freezing or ring-fencing a proportion of the total allocation, to be allocated solely on the grounds of those 10 per cent of the most multiply-deprived wards and uses no other criteria, would have the result of ignoring one of the main factors in Option 1, which is to take account of the clergy share figure. If we went down the road of allocating that proportion of the allocation on the grounds of Option 2, it would take no account of that clergy share figure and thus favour those dioceses which might exceed their clergy share.

The second matter is more important. The double counting which is involved in Option 2 takes no account of those dioceses which have within them both areas of extreme poverty and also areas of extreme affluence. Option 1, because of its broad way of looking at poverty, takes account of both factors. Option 2, because it takes account of only the 10 per cent most multiply-deprived areas, might be seen to reward those dioceses which have the ability to plead their poverty because they have real examples, which we all know and acknowledge, of multiple deprivation, but they also have areas of affluence. Perhaps we should be encouraging them to look at how their more affluent areas might balance out their more poverty-stricken areas. The double counting skews the figure and makes it less than fair to those dioceses, certainly the larger rural dioceses, where pockets of poverty are smaller than the ward size and where there are a large number of wards which are just outside the 10 per cent figure.

The Exeter Diocese produced a highly complicated version of Option 2, looking not only at a 10 per cent band, but a 20, 30 and 40 per cent band, in order to spread the effect of the deprivation. That, I think, would be much too complicated to try to implement. The Option 1 version I think is the best, easiest and simplest to follow, without going down the Option 2 road.

Mr Alan King (Bath and Wells): May I echo the thanks which have been expressed to Stewart Darlow and his group for their thorough and detailed report, and particularly for the patience and understanding shown to those who have had doubts and disagreements along the way. I am also pleased that the report has now passed out of the hands of that group and appears before us this morning, prior to a final decision through the Archbishops' Council in September.

Frankly, we have talked about this long enough. It has been to the dioceses; it has been to the inter-diocesan finance forum, it has been to the House of Bishops, various

committees and now, quite rightly, it comes to this Synod. Conclusions have been worked, reworked and re-reworked, to accommodate the many legitimate concerns which have been raised. The truth is that you will never get universal support for any new system in which there is a redistribution of money. Those who have been through the agonies of introducing parish share schemes in the dioceses and deaneries know this only too well.

This is a fairer system, however, and its data are more robust than the existing formula. The majority of dioceses, when consulted earlier this year, preferred Option 1. The House of Bishops, as we have heard, went for Option 2. Because there is no universal agreement over the two options, however, it does not mean that it is right to reject the whole scheme. Mutual support is vital, and indirectly it already exists. Those dioceses who receive no central allocation and those who opted for the fast track on pensions transition have happily seen that money redistributed to the more needy dioceses. There must be more mutual support, both between dioceses and within diocesan boundaries themselves.

Accepting these proposals, I maintain, will bring direct mutual support a stage closer. To reject them would see that movement put back, because we would be continuing with a system where the data would be shown to be unfair and up to six years out of date.

Looking down the cash table of the new system and seeing what is in it for us might not be the proper way to choose between the two options, but it is the way that I have decided. When I look down Option 1, I see that Bath and Wells receives nothing. When I look down Option 2, I see that we would receive an allocation. It is an allocation we do not need; it is an allocation we do not seek, and it is one which is required much more elsewhere. Let us not spread our resources too thinly. We should accept the new system and express a preference for Option 1.

The Bishop of Liverpool (Rt Revd James Jones): After I had visited a primary school in Netherton in Liverpool recently, a little five-year-old girl went home. As soon as she got through the door she said to her mother, 'I've got to go to bed. The bishop has been and he's given me a headache'! I hope not to give too much more of a headache to Mr Darlow's review group, because I recognize that they have made strenuous efforts to find a just system for allocating money to the dioceses.

The Church Commissioners have a legal responsibility to make 'additional provision for the cure of souls in parishes where such assistance is most needed'. The two central questions therefore are how do we assess the assistance needed, and what sort of Church are we to be?

The review group suggests a new methodology that drops deprivation factors, so the additional provision for the cure of souls is based solely on an assessment of average income. The souls of the urban poor and the rural poor, however, are trapped not just

in low incomes but in poverty, in bad health, shorter lives, fear of crime, inadequate public services, and high unemployment.

I chair the Government's New Deal for Communities in Liverpool. I also chair the board trying to set up a new Church City Academy in a deprived urban area. I am therefore working all the time with Government departments on urban regeneration. I have to tell Synod that the Department of Education and Skills and the Department of Transport, Local Government and the Regions would never ever contemplate a national strategy of community development based solely on average income analysis. Of course average income does give some insight into need and poverty, but other factors need to be attended to. That is why the Government calls for and uses deprivation indicators such as health, crime, life expectancy. The Government sees double counting – if that is what you want to call it – as the only way of (a) getting a truer picture of poverty and wealth, and (b) establishing a more just and compassionate system of sharing our resources nationally.

I have been on the Synod for nearly six years and have listened to many speeches that have called upon the Government to be more just in its dealings; but in this respect, analysing need and poverty, the Government is pursuing a more just system than we are proposing. Indeed, if we proceed with an allocation that drops all reference to poverty indicators, I fear that we will be seen as a Church in retreat from its commitment to the poor, and as a Church that is undermined in its prophetic role of speaking about the poor internationally – remember Saturday's debate? – and at home, this afternoon's debate.

I have heard it said that it was I who persuaded the bishops to go with Option 2. I am flattered. Those who were in the last Synod will recall that such powers of persuasion completely escaped me when it came to that infamous Greek preposition *ek!* The bishops were persuaded because this is an issue not just of allocation but of what sort of Church are we to be. Are we a Church that brings good news to the poor? Are we a Church set to proclaim release to the captives? Are we a Church that lives out the principles of Jubilee in our own life? If on the final day of judgement it were to be revealed that, by double counting and including deprivation indicators, we had as a Church erred in the direction of generosity to the poor, would that be considered a crime at the throne of Grace? Or might not we hear, 'Inasmuch as you were generous to the least of these my brothers and sisters, you were generous to me'?

I support Mr Gerrard's amendment, although I am realistic that there is some urgency in settling this matter, not least because of the difficulties faced by some other dioceses. If his amendment fails, I hope that Synod will vote for Option 2 on the grounds that, in including deprivation indicators in its assessment, it demonstrates first that we are seeking to be as just as the Government in our assessment of real need, and second that we are demonstrably a gospel community that brings good news to the poor.

Mr Stewart Darlow (Chester): The Government has £800 million that it is giving out

over three years for regeneration in deprived areas. We have £15 million a year to help pay stipends. We would love to have enough money to do all the grand things for all the multiple deprivation there is in the country. We are not in that game, and it is a false picture to compare us in that way.

The Government give money to the local authorities. Each local authority is separate. It cannot say, 'We have a rich local authority next to us. They should support us.' In a diocese our parishes are in a family under the bishop, and there is mutual support within the diocese. We have only a little money to give out, so the system that we propose gives it to those poor areas which do not have compensating rich areas on which they can call. The analogy, although attractive, cannot be made.

The formula we use is not reducing down to fewer factors. In taking into account the number of people not paying tax, more factors are introduced. One example is that there are 2.5 million people in this country on long-term sickness benefit. With the old system, only the unemployed were taken into account. We have taken into account, under a big umbrella, up to about 40 per cent of our population who are below the tax level. This includes people on basic pensions; those who are unpaid carers at home; those who for good reasons do not go into paid employment but are not technically unemployed. That figure varies quite a lot around the dioceses and has contributed to the differences.

We desperately need mutual support. The way that we are doing it is with a minor bit of mutual support within each diocese. It is incomplete. Until we go on to mutual support between the dioceses then to a certain extent it is unsatisfactory; but that is an invitation to wait for the cows to come home! I would love to see that happen, and it could if the will is there. I very much hope that the House of Bishops will lead on that.

I can assure you that what we are doing now is much more comprehensive than what existed before – which also used Inland Revenue statistics, but we have improved their use.

The Chairman imposed a speech limit of three minutes.

The Archdeacon of Wandsworth (Ven. David Gerrard): I beg to move as an amendment:

'Leave out all words after "this Synod" and *insert* the words:

"Urge that no alterations to the selective allocation to dioceses be made until:

- (i) the recent increase in diocesan contributions to pensions have been met;
- (ii) progress has been made in working towards mutual support between dioceses;

- (iii) an independent evaluation has been made concerning the suitability of using income tax data as the major basis for selective allocations to dioceses, and whether the suggested selected allocations will really help the Church's ministry 'in areas of greatest need'; and
- (iv) allowances have been made to incorporate variations in living costs in different areas of the country".'

Mr Michael Chamberlain: I have no hesitation in urging Synod to reject the amendment proposed by the Archdeacon of Wandsworth. Taken individually, any of the four conditions would delay for some time changes which the majority of dioceses consider are in urgent need of implementation. Taken as a whole, it would delay for years any new allocation proposals.

I recognize that the new level of pension contributions imposes considerable burdens on all of us. This burden falls similarly on dioceses that have been identified as in great need of support.

I have already highlighted the transitional arrangements to take account of the situation. Transitional relief for Southwark means continued financial difficulties for others. The amendment asks for progress towards mutual support. Mutual support already underpins everything we do. It must be patently obvious, in the light of the fact that it has taken two years to get this far, that the Archdeacon's proposal should be resisted.

This is not the time and we do not have the time to debate the detail of the appropriateness of the data used; but the inclusion of a factor for deprivation, specifically as requested by Southwark during consultation, does, the group believe, address the point. There will be the greatest difficulty in arriving at a consensus between 43 dioceses as to the factors which might be included in any assessment of what constitutes living costs. This amendment would have the effect of leaving in place allocations based on data which is at least six years old and out of date.

In the light of all this, I urge Synod to reject the amendment.

The Bishop of Chester (Rt Revd Peter Forster): I feel that we are in a situation where none of the options before us is ideal. I would suggest that we do vote for the Archdeacon's amendment, in order to create a little more time.

There is a particular factor which has not been mentioned this morning, which I think is flawed in the proposals brought to us by the review group. That is the use of Church membership. Why is the diocese of Blackburn going to lose so much money under these proposals? Because it has high electoral rolls. Why does it have high electoral rolls? Because it has a high number of Church schools. In different

dioceses there is a different basis of how you count members. You see this in the way that the number of lay members of Synod are allocated here. The diocese of Chester has eleven lay representatives on the General Synod – the greatest number. That is simply because our electoral rolls are very high, largely because we do not use them in the calculation of parish Quota. For us it does not make a big difference, because we are a diocese which is happy to do without any selective allocations – though our diocesan resource per minister, and so forth, is rather flattered because our electoral rolls are high. One of the problems with the formula, which, I accept, applies whichever option you take, is that the present membership basis is variable from diocese to diocese.

I think that we need to stop and look at these factors. At least the Archdeacon's amendment gives us the opportunity to do that. If we defeat it and go on to decide between Option 1 and Option 2, they are both flawed. Option 2 is a hybrid of two systems, a sort of compromise, and I cannot see that it will last. For these reasons, although there are some technical problems with the amendment, which I accept, I think that we would be wise to take a little more time to get it right.

Revd Simon Stokes (Norwich): Jamie, my guide dog, and I recently paid a visit to the vet. The vet asked me how were things going. I said, 'Okay. There's just one problem: how do I stop Jamie chasing my parishioners on bicycles?' He said, 'I think the time has come, Simon, when you must take his bicycle away!' (*Laughter*)

Sometimes, to move forward, we have to change. Sometimes, to move forward, we have to take things away. Some of the speakers before me have implied that some of the bases for the data we will be using are flawed because of, dare I say, lack of integrity. I suggest that if there are problems of lack of integrity, to do with electoral rolls and other things, they are addressed at a separate time.

I support the Darlow formula and I support Option 1. I urge the Synod to do the same. We have heard that the previous way of doing things was flawed because it focused too much on historic resources. We have also heard that Option 2 double counts, because in Option 1 it already takes into account deprivation, unemployment, low wages, and the like, in the way it is calculated.

We are in danger if we support the amendment of voting to do nothing. One of the things that frustrates me most about PCCs is the lack of wanting to move forward. This may not be a perfect solution, but I urge the Synod to move forward, to vote for change, to work together.

We are the body of Christ here; we are called to support one another. I am not a medical person and please forgive me if I get this wrong; but when a part of the body is in need, the resources of the body go to that area. I suggest, therefore, that as we look to move forward, we look to help those in greatest need. I believe that Option 1 will do this.

Mrs Anne Williams (Durham): I beg to move:

‘That the question be now put.’

This motion was put and carried.

The amendment was put and lost.

The Bishop of Liverpool (Rt Revd James Jones): I beg to move as an amendment:

‘*Leave out* all words after “GS 1420” where first occurring and *insert* the words, “including in its assessment of allocations indicators of deprivation as suggested in Option 2 in paragraphs 11–12 of Annex A to GS 1420”.’

Mr Michael Chamberlain: The Synod has heard the views as to Option 1 or Option 2. I understand the message which the Bishop of Liverpool is conveying and the issues which he has addressed.

I feel that this is an issue for Synod to decide on, and I leave Synod to decide whether or not to support the amendment.

Mr Barry Barnes (Southwark): I beg to move:

‘That the question be now put.’

This motion was put and carried.

The amendment was put and lost.

Mr Michael Chamberlain, in reply: There is not a great deal I can add to the debate. The views expressed are obviously of the greatest importance when the matter comes to be discussed by the Archbishops’ Council and everything that has been said will, I know, be very carefully taken into account.

I would like to focus on two issues. First, Mr Allen’s comment about the inclusion of the rural factor, which is particularly important in view of the debate that we had last night. A rural factor was discussed with the dioceses, particularly at the request of rural dioceses who disagreed with the inclusion of OxLIP in the current formula. In the light of this, the review group removed it and have attempted to be even-handed so far as rural and urban areas are concerned. The inclusion of the DTLR indices – deprivation in Option 2 – takes into account specific deprivation indicators. These indicators have been welcomed by the Countryside Agency as an improvement to previous indicators of deprivation in rural areas.

The only other speech on which I would comment was that of Mr Alan King and what he said about mutual support. There is no doubt but that this is an issue which we as a Church have to address. We have to remind ourselves that what we have been talking about is a fixed amount of money, and therefore those dioceses which are receiving their allocations, neither losing nor gaining, are in effect already involved; but there is a question as to whether in due course there ought to be more shifts of mutual support between dioceses. That is something which I am sure the Archbishops' Council will wish to pursue.

The motion was put and carried.

THE CHAIR *Canon Jane Sinclair (Sheffield)* took the Chair at 12.15 p.m.

Financial Business

The Archbishops' Council's Budget for 2002 (GS 1421)

Mr Michael Chamberlain (Archbishops' Council, ex officio): I beg to move:

'That this Synod now consider for approval the Budget to cover expenditure to be incurred in the year 2002 for the general purposes of the General Synod, as set out in GS 1421.'

I regret very much having to ask Synod to approve a budget, part of which is not fully developed. I think I would be right in saying that it has not happened before and I sincerely hope that it will not happen again.

The simple reason is that the results of the pension fund actuarial valuation have created a new situation. An additional annual bill of £12 million for the Church, to be found in the very near future, justifies in any context a realistic and appropriate response at every level – the dioceses, the Council and the Commissioners. The position would be different if dioceses had substantial reserves in order to factor in the increased costs; but all members know that in the majority of cases this is simply not the case. Such reserves as exist are being used to offset the initial tranche of pension costs; for some dioceses cash flow is now being seriously affected by the consequences of the foot and mouth epidemic, and the dioceses will need to adjust to the new allocation and apportionment formulae. As will be demonstrated, the Council itself does not have its own spare reserves.

It was with these factors in mind that the Archbishops' Council responded to the additional financial burden, and formed a view on the priorities and what could sensibly be asked for from parishes. This is exactly the same process that I know is being urgently addressed diocese by diocese, and of which members will be only too well aware. It is clear that the size of the additional pensions bill has delayed diocesan

budgeting processes. It is urgent that we provide an indication of projected nationally incurred expenditure, so that dioceses and parishes can plan accordingly. This then is the background to the budget which is here for consideration today.

I would like to turn briefly to the out-turn for 2000, full details of which were included in the Annual Report. In respect of Vote 1 the expenditure was £154,000 below budget because of lower numbers and some other savings. In respect of Vote 2 there was an underspend of some £380,000 compared with the budget, which included an anticipated draw-down from reserves of £205,000. I expect 2001 to be largely in line with budget.

At this point it would be appropriate to remind ourselves of the reserves situation, because this is a question that has been raised in previous Synods. It is wrong to think of this as an available resource. The reserves represent cash which is required as working capital to finance the weekly and monthly expenditure commitments of the national budget. The Council's policy in respect of reserves is set out in the budget booklet. However, what is obvious from the level of reserves against the annual apportionment increases is the extent to which the reserves have been utilized to offset apportionment increases in the three years to 2000. It is clear from our experience and projections that we have barely sufficient working capital resource. I fear that this mismatching may be aggravated by the problems which some dioceses are having in respect of their own cash flow, but I can assure Synod that should we, over a period of time, find that any sums are not required, they will of course be returned through the apportionment mechanism.

In the budget booklet GS 1421 we have attempted to provide more detail than we have done in the past about the various activities undertaken on a national basis. Furthermore, we have redesigned it to show the net cost of each activity in Vote 2. We believe that this gives a much clearer picture of the actual costs, and I hope that this revised format is helpful both for Synod and also at diocesan and parish level. I have to say that I always enjoyed the opportunity, when I was Chairman of the Board of Finance, of explaining what Votes 1-4 meant when I went to Ashby-de-la-Zouch, or some similar place in the county. We always welcome suggestions for improvements, however.

The 2002 budget can be summarized as shown on the slide. I will not read out the figures, just point to the proposed increases. In respect of Vote 1 the proposal before Synod is that we should not at this time seek to limit the apportionment in respect of ordination training. This position reflects the Council's anxiety not to deter vocations, as they form the lifeblood of the Church's ministry. However, the Council does not intend its proposal to prejudice decisions about subsequent years. An important factor for future years will be the report and recommendations from the working party set up to review the structure and funding of ordination training.

The budget paper sets out in detail how the Vote 1 budget has been constructed. Of

course, the key is the number of sponsored ordinands. The slide shows the actual and projected numbers on which the budget is based. A modest increase in numbers is projected.

In respect of Vote 3 the amount to be apportioned to dioceses is the same amount as 2001, but within the figure there have been a number of changes which are itemized in the budget paper. Bearing in mind that no increases in grants were given in 2001, it is proposed that a modest increase in 2002 is appropriate. In addition, there are a number of earmarked grants for specific purposes.

The Synod will be only too familiar with Vote 4 and the decision taken that the pensions costs of mission agencies should be borne by dioceses as part of the national Church budget. This cost is being transferred over a six-year period from the Commissioners, which has meant an increasing cost being borne each year. However, because of the increase in the contribution rate for pensions, the cost of this expenditure rises by some £165,000.

Ever since this decision was taken, there has been some disquiet that these costs should be met by means of apportionment. In view of the substantial increase in this Vote, the Council is of the view that the arrangements should be reviewed in good time before the end of the transitional period in 2004.

I now turn to Vote 2, which is the second-highest Vote comprising the apportionment – that for national Church responsibilities. This expenditure is in respect of both work which can only be carried out at national level and also of work which most sensibly is carried out at this level. As the budget paper shows, there is a wide spectrum of activity.

Prior to the outcome of the actuarial review the Council had proposed a limited increase in the Vote 2 expenditure. However, having received the indication that an additional £12 million a year would have to be found to meet the cost of pensions, it was decided that the Vote for apportionment for 2002 and the two succeeding years should not exceed that already agreed for 2001. This was not a knee-jerk reaction but rather a recognition that every part of the Church will have to adjust its budget to accommodate the new situation. This proposal from the Council to limit expenditure on Vote 2 is no different from that which almost every diocese is having to take to achieve financial stability.

It is urgent, however, to be able to tell dioceses what their apportionment will be. Most, if not all, would usually have adopted 2002 budgets by now and the quantum of national costs, taken with the increase in pension contributions and transitional help from the Commissioners, is just one factor in finalizing budgets. For these reasons I am asking the Synod to accept a total amount in respect of Vote 2 expenditure, but with the individual distribution yet to be approved by Synod. Coupled with this is an undertaking that there will be full consultation on the distribution of the available

resource in Vote 2 through the appropriate mechanisms and, of course, this Synod in November.

Such a strategy is no different from that which every budget-making body has to adopt, be it at national, diocesan or parish level. Expenditure is framed in the light of what resources can reasonably and prudently be anticipated.

In developing proposals within the cash limit it is not proposed that the policy will have been an across-the-board percentage reduction. The days for that sort of approach are over. Rather, the proposals will be the subject of consultation, will come before Synod for approval, and will focus on priorities, sensible restructuring and the dropping of areas of work which are no longer felt to be absolutely necessary. I would like to give one assurance to dioceses and parishes, however. This process will not seek to transfer expenditure to them in order to meet the financial targets for Vote 2. However, we will continue the ongoing process of collaboration with dioceses about the appropriate place for work to be done and how and where common issues should be dealt with.

The policy proposed by the Council will have an increasing effect on the level of savings required. As the work on the 2002 budget progresses, it will become clearer what restructuring will be appropriate and required.

The Council does not underestimate the uncertainty and concern that the new situation has created among our staff in the national bodies, an issue which came up rightly in Questions on Saturday and to which the Secretary General responded. The greatest care is being taken to ensure that full consultation takes place and that personal concerns are addressed in line with established and agreed procedures, and I would ask Synod to remember our staff in their prayers.

There has been some criticism of the policy proposed by the Council. First, that the Synod is being presented with a *fait accompli* and will have no opportunity to discuss the outcome. I do not accept that this is the case. In any organization it must be right to cut one's coat according to one's cloth. Every diocese frames its longer-term projections on what level of resource it believes can reasonably be requested. It is this policy which the Council is proposing. Synod will have the opportunity, after the widest consultation, to approve the allocation of available resources.

Second, there will be some who say that adjustments of this size in the level of expenditure in Vote 2 are insignificant in the context of the overall expenditure of the Church. By some measures this may well be the case, but we need to look at it in the light of similar steps now being taken by dioceses. Many have indicated a variety of measures which they intend to take to accommodate the increased pension contributions, changes in allocation and apportionment, and in many cases these involve major restructuring to adjust expenditure levels.

This then is the rationale for the budget which is before us. As already indicated, the

longer-term implications arising from the actuarial valuation are being addressed through existing structures and a new working group. The issues of pension benefits, guaranteed annuities, transferred allocations, Commissioners' support, will form the background to the medium- and longer-term projections which will be brought to Synod.

I am asking Synod to approve the 2002 budget in the form now before us, with the assurance that the Vote 2 budget will come back to Synod in November, for it to approve the allocation of overall resources within the overall quantum of Vote 2. Synod will be aware that this budget proposal has been the subject of consultation both at the inter-diocesan finance forum, at which Synod members are represented, and indeed subsequently. Whilst there is obviously some regret that this reduction in expenditure is proposed, dioceses appear to be fully supportive of the proposals and the welcome recognition that it gives: that all parts of the Church need to adjust to the realities of the current financial situation. They are also supportive, I believe, in the knowledge that work is in hand on the wider issues which flow from the present situation.

The Chairman imposed a speech limit of five minutes.

The Bishop of Guildford (Rt Revd John Gladwin): I am enormously grateful, as a member of the Archbishops' Council, for the way in which Michael has presented the budget. I also speak with my hat on as Chair of the Ministry Division.

I wonder if we could make sure that we work very carefully on the language we use at this particular moment? I, for example, do not like the language of 'freeze'. I believe that the senior staff of our national institutions are, painfully but creatively, working with enormous energy at addressing the challenge in front of them. That challenge is to rethink the shape and form of the work that we do at a national level. They need our support and encouragement to be creative and imaginative at this moment, and I do not think that the language of freeze encourages that, if I may say so.

One of the things that we have a tendency to do in the Church of England, when we face a financial challenge like the present one, is to think that everything is to be put on the same basis. It may well be that there are areas of the national work of the Church that need to grow and other areas that need to be shut down. We need their wisdom and energy in addressing that question, and they need our support. They certainly do not need comments from members of Synod who seek to put walls of defence around pieces of the organization at this particular moment.

I want to introduce Synod to a debate that is going on within the Archbishops' Council. I want to question a mantra. The mantra is that all monies released in the national institutions, the Commissioners and elsewhere, should automatically go to the dioceses and the parishes. I want to question that mantra because if you ask where is the money in the Church of England and where are the resources, a lot of it lies in the parishes.

In 1999 the parishes were in the black in terms of their published accounts, even if less so than 1998. Certainly in my diocese, which runs a policy at a diocesan level of having only those reserves that are necessary for a minimal set of working costs, the parishes have rather large reserves. There are a lot of hollow logs round the parishes of the Church of England, and we need to ask whether all the resources in our parishes are being used for the mission of the Church.

I also note in the diocesan budget projections for the next three years that dioceses are budgeting for large deficits. We may think that is very bad news, but I assume that they are not budgeting to go bust! The money must therefore be somewhere. There must be some money around the dioceses. Either they believe that they can raise it from the parishes or they too, some of them, have some hollow logs that they are having to dip into. The dioceses, therefore, have not gone bankrupt as yet.

I think that the challenge facing us is to resist the temptations to both anxiety and panic at this moment. They are the enemies that confront us. What we need to be saying to the membership of the Church of England is, 'Thank you, and well done for the way in which you have carried us through the transition of these last few years. We are still standing up and our membership has done us remarkably well in terms of meeting the financial challenges.' We need to be appreciative of those things that have happened.

If I may say so, in the face of the doom and gloom that pervades so much of the media and some of our comments, we carried out a survey in the dioceses which has been done elsewhere, and the Church of England every year is offering ministry in its parish churches to, on average, one in three people in this country. We have huge ministerial opportunities. We have done remarkably well recently. Now is not the moment to enter into panic or anxiety about the future, but to think creatively and to take the radical decisions that are needed to promote our future mission.

Revd Dr Richard Burrige (London University): I too would like to join with the Bishop of Guildford in giving our thanks to Michael Chamberlain and to all the finance office staff for the presentation, for the papers, for the very clear and transparent way in which they have enabled us to see where the various bits and pieces of this budget are going.

Members of Synod from the previous quinquennium will know that I have spoken in this debate in previous years – most years with passion – in the defence of Vote 1 and on the importance of protecting our training budget for the future. I want to look particularly at page 6 of GS 1421. You can see there that, under Vote 1, we came in under budget last year because the numbers in training turned out to be less than forecast. The good news, therefore, is that this time I did not have to come, as I did at a previous Synod, and ask you to spend more. The bad news is that the numbers were less than forecast. That is obviously a worrying sign for the future.

Paragraph 11 refers to the report *Managing Planned Growth*. I was a member of that

working party and we worked hard to try to find a new mechanism to smooth out the problems that the fluctuation in numbers was causing to the budget, and I think that the new mechanism is working well. I also want to pay tribute to the extremely hard work being done by the structure and funding of ordination training working party, chaired by the Bishop of Chichester, in looking ahead for the best and the most cost-effective ways of doing ministry training. I am concerned, therefore, that we do continue to 'form the lifeblood of the Church', as it says in paragraph 11.

However, in helping Vote 1 I did not want to see the axe falling on Vote 2. My recent ministerial review with the Bishop of London and the principal of King's College revealed that I spend something over 30 days a year as a gift to Church House – and that is one of the things you might want to think about when you get rid of the university reps! – at no cost to the Church. It means, however, that I see at close quarters the incredibly hard work being done by our staff at Church House. The bishop has already spoken about the importance of not just protecting any one group. As some members will know, I have other contacts with other boards, and so on, in Church House, and I see the work that is being done by all of our staffs. The sheer quality of that work is seen in the Archbishops' Council's report, BS 1414, and in this report at pages 15–33.

We are asking them to make bricks and we go on asking them to make more and more bricks, of different shapes and sizes, and we keep taking away the straw. Now we are getting to the point where we shall be taking away the mud as well. Paragraph 14 really worries me: a 12 per cent cut of £1 million per annum. I know that this is happening elsewhere. At King's College, London we have to lay off several hundred academics because of Government's underfunding of higher education. I know the pain that this kind of thing causes.

Vote 2, £7,342,868 net, is about 1 per cent of the gross turnover of the Church as a whole. That is quite a small proportion in terms of investment in our national resources and we get back work of an incredible quality for it. We heard in the Secretary General's responses on Saturday night a number of comments that, when we ask for things, members of Synod have to realize that it comes with a cost attached. We cannot go on asking for more and more to be done while giving them less and less in the way of resources. I shall therefore be voting for Items 901, 903 and 904, i.e. Votes 1, 3 and 4. I shall be recording a vote against Item 902, in the hope of opening up the question about what the Bishop of Guildford says I cannot call 'the freeze' but that, at the very least, when we debate it in November we will face the challenge which was given to us by the Bishop of Guildford: about what are the areas of growth and what are the areas of shutdown and, when we ask this of our staff at Church House, we understand that and we work with them on what it is we want them to do – and not just go on asking them to do more and more with less and less.

Mr Gavin Oldham (Oxford): I am not Leonardo, not da Vinci, and certainly not DiCaprio! I am Gavin Oldham – what the Archbishop of York would call a simple

manager, administrator and chief executive. I am also a Church Commissioner and, thanks to members' votes earlier this year, I will begin to serve on the Finance Committee this coming Thursday.

I must be brief, although you will understand that there are considerable details and workings behind the far-reaching proposals I want to put forward. I pray that they may be as perceptive as Leonardo da Vinci's. All are intended to reduce costs and increase efficiency for the Church as a whole, so that we may better carry forward our mission: the mission of Christ. I have to say, however, that the freeze on central costs will not help with their implementation. I know that it is pointless to try to resist this proposal. Indeed, it is probably more important symbolically than in effect, but time and again I reach the conclusion that we are strangling the goose which should lay the golden eggs.

Here are three of my proposals: first, regionalization of administration. We should strip out almost all accounting and administrative functions from dioceses. Natural population size for effective deanery co-ordination is, I would suggest, about 600,000 people, which probably reflects the original size of dioceses when they were first established. We need a deanery co-ordination level of administration for this size of population groups. Then we should move all administration and accounting into five regional centres, which themselves would work closely with the centre, leaving current dioceses as centres of mission, ministry and theology, leaving the historic standing of diocesan bishops intact; it would also be much easier to achieve the sharing of resources advocated earlier by the Archdeacon of Wandsworth.

My question No. 40 requested quantitative details of the effect of voluntary shared administration, to prove that it would work. Unfortunately, this is not currently available, but I hope that those dioceses which are currently working this way will gather statistics so that we may build on it. I am disappointed that the Dioceses Measure is unlikely to be put before this Synod, since this is the vehicle which in my view may enact this regionalized administration. Perhaps we can move faster with Professor Toyne's review, to see what can be done.

Second, a pensions scheme review. It is a big issue, but here are two specific matters. First, as I said on Saturday, we should move to defined contributions. Demographics are moving so fast, and we already have so much personal choice within our scheme. The answer to my question No. 99 is that the right to choose a retirement date lies with the individual. The Church must adopt the normal practice throughout the country and build certainty into its contributions, even if that does need to be balanced by a significant lift to stipends. Incidentally, BT is facing an extra bill of £1 billion to its pension fund because of these problems. Second within the pensions scheme review we need to reduce ages of those entering the ministry, which is currently around 38, by a much more focused attendance at university open days. My question No. 53 elicited a helpful response from the ministry division. Let us put it into effect.

Third, I believe that we should explore the potential for selling our 60 per cent stake in CCLA to provide a fund for central Church administration. This is probably worth over £70 million, and it is arguable whether we should have a direct role in an investment management business. Before this comes into effect, however, we need to establish the intellectual property of the Church's ethical investment work within the BSR. This will not add to cost; in fact, it will increase revenue if my ideas are adopted. However, as Richard Burridge pointed out on Friday afternoon, it now has a significant commercial value and, if it continues to float between Church Commissioners, pensions and CBF, it may *de facto* simply become a unit in CCLA. Returning finally to that 'freeze' matter, I hope that the sale of CCLA will provide a source of finance to fund the restructuring that we now require.

The Chairman imposed a speech limit of three minutes.

Revd Jeremy Fletcher (Southwell): The Archbishops' Council has four themes and two fundamentals. The Diocese of Southwell has adopted these, adapting them and betraying the evangelical heritage of the bishop's chaplain, so that they all begin with the letter E! We franchise it at a small cost, if you talk to me later.

One of the fundamentals is enhancing worship. I hope that members of Synod will be as appreciative as I am of the work done on a national level over the last few years by Praxis and, in particular, its national liturgical education officer, Mark Earey. I mention this because, as the Commission has indicated, the key emphasis of its work over the next few years will be doing all in its power to make our worship in the Church of England, in all its diversity, glorifying to God.

This is a budget debate. I am a simple liturgist. Where money is concerned, I get very simple indeed and I am grateful to those who, as we have heard, can do the complicated things and remain sane. I am therefore particularly interested to note section 19 of the budget document on page 7 which says that there is expected to be a trading profit on *Common Worship* of £1 million. 'The Finance Committee will need in due course to advise the Archbishops' Council on how this money might be utilized', and a cautious approach is being adopted to this.

It is clearly the job of every congregation, every lay leader, every reader, every parish priest, and so on, to act to ensure that worship is enhanced. It is clearly the job of the Finance Committee of the Archbishops' Council to be cautious. There are clearly complex issues at work. I wonder, however, if just a little bit of that £1 million might be set aside to ensure that a national focus can be given to the enhancement of worship, mainly because the scrimping and saving and begging and jumble-selling that provided the money for the national liturgical education officer in the first place, I believe, has borne massive fruit. I would say this because I am a liturgist, but I believe that if we do not make this kind of investment with the money which has been raised under *Common Worship* we will lose more than we will save.

I note the resolve of the Archbishops' Council at the end of that section 19, and the desire not to be pre-emptive. Can I encourage them at least to be empty, or even post-emptive – but please 'empt' and put some national cash to the fundamental of enhancing worship nationally? I, for one, believe that will be worth it.

The Bishop of Peterborough (Rt Revd Ian Cundy): I want to make three brief points which pick up some of the things said by the Bishop of Guildford and Dr Richard Burridge.

First, I believe that we owe an enormous debt to the staff of Church House. Without their expertise and their imaginative work, which includes some highly creative thinking on the frontiers of the Church's mission to the world, we would be much the poorer. The staff, as you have heard, have already begun to respond to the demands for change and we should commend and support them in what they are doing.

Second, while it is inevitable that we will want to be protective of our particular pieces of work, we must face realities. Certainly the amount we pay in allocation to the centre from diocesan budgets is small in proportion to the total diocesan expenditure, but we must be seen to be rigorous in ensuring that the amount we spend is well used and represents best value for money.

Third, if we have to make cuts or savings – whatever word you like to use – we must be prepared to be radical and apply two principles rigorously. The first principle is the much talked about but rarely applied one of subsidiarity. That is, work should be done at the most appropriate level or place and authority given to a central body only when it is necessary for the benefit of the work committed to it by the whole. We must therefore only ask for work to be done in Church House that needs to be done there, or is better done there, in order to support and develop the mission of the Church. That applies to Vote 2 and also to Vote 1. Second, the principle of effectiveness. Do we have to do everything ourselves in order to be effective? Are there departments and work which could be radically pruned or disbanded because the work could be effectively done elsewhere or bought in as and when it is required? These are sharp questions. We must not duck them.

I will vote for Vote 2, but I do so in the awareness that good work will suffer if we do not address these issues and support the work that is already being done to do so.

Mr Barry Barnes (Southwark): I beg to move:

'That the question be now put.'

This motion was put and carried.

Mr Michael Chamberlain, in reply: I would like to take things out of order and to bring a touch of reality to the analysis which Mr Oldham made of CCLA. Do not rush off to

the bars and think that there is a lot of money for the Church. The point is that the ownership of CCLA is actually through the investors in the fund: those in the parishes, benefiting because of the lower cost and the profits which CCLA makes. It is not a resource that is available for the central Church. It is absolutely essential that we understand this and get the position right. There is no pot of money available to the central Church if the CCLA were sold. It would actually flow back to the parishes. That is very important.

The second thing I would like to comment on in relation to pots of money is the reference by Mr Fletcher to paragraph 19 and *Common Worship*. I do so with a little trepidation, with the Bishop of Guildford as chairman of the committee or whatever is responsible. However, I think that prudence is the order of the day. There may well be a paper surplus, but the latest information to 31 May shows that the net current assets, i.e. that which one could think of as in the bank, are probably just under £500,000, and there are ongoing commitments for further development with electronic publishing. I have to say, being a prudent accountant, that until I can actually count the money I do not think that we should consider spending it. The question of support for *Common Worship* and liturgical development is obviously an issue which will be considered in looking at the Vote 2 allocation. Again, however, do not go home telling everybody that there is lots of money hidden away.

Turning to the Bishop of Guildford's comments, I accept the gentle chiding that 'freeze' is not the right word and I think that we want to avoid using it. I do accept the point about creative thinking. He said, as indeed did the Bishop of Peterborough – and they both said it in a very much more elegant way than I did – that, in looking at what we do, it is priorities, centrally restructuring, dropping areas of work and making sure that it is being done in the right place. That is something which the exercise which is now being undertaken, led by the Secretary General, will deal with and that is what will come back to the Synod in November.

So far as Dr Burridge is concerned, I am glad that he has been satisfied in the past with the way we have dealt with Vote 1. I do accept the point about the implications for Vote 2, but in many ways he is echoing the points that were made by the Bishop of Guildford.

Regarding Mr Oldham's other comments, first of all may I welcome him to the Finance Committee? We have a meeting on Thursday of this week and no doubt he can pursue some of these points through the Finance Committee. However, dioceses are already working on collaboration, and I do not think that it is for the centre to do more than act perhaps as a lubricator or as a catalyst. One has to remember the question of subsidiarity, referred to by the Bishop of Peterborough. We have to remember that there is a bishop in each diocese and what goes on is rather important to him, and I do not think that it is something we can deal with.

The motion was put and carried.

Vote for Training for Ministry

Mr Michael Chamberlain: I beg to move:

'That the Synod authorize the Archbishops' Council to expend in 2002 a sum not exceeding £9,138,175 in respect of Vote 1.'

The Chairman imposed a speech limit of two minutes.

Mr Tim Royle (Gloucester): This is really in the form of a question, which Mr Chamberlain invited us to ask. I am concerned, and have been concerned over the years, about the underfunding of the colleges in relation to improving their facilities and their major repairs.

The first paragraph on page 11 talks of 'limiting the cost to the training budget to the *variable* cost instead of the full fee cost'. Could he reassure me that this under-funding will be kept always before us, because we are expecting students to go into these colleges on a residential basis and to be trained in reasonably good circumstances? The colleges that I have represented down through the years are Victorian structures. They do need continuous upgrading and I hope that the national Church will recognize this in enabling the fees to represent, as other institutions do, the necessity to improve their facilities.

Revd Ian Stamp (Manchester): I beg to move:

'That the question be now put.'

This motion was put and carried.

Mr Michael Chamberlain: I do not have all the facts in front of me, but I am sure that the point Mr Royle has made will be taken on board by the Ministry Division, and also it is an issue which I am sure will be taken up by the working party set up to review the structure and funding of ordination training. I think that is the right place to address it, and I am sure that it will be.

The motion was put and carried.

Vote for National Church Responsibilities

Mr Michael Chamberlain: I beg to move:

'That the Synod authorize the Archbishops' Council to expend in 2002 a sum not exceeding £15,567,175 in respect of Vote 2.'

Revd Ian Stamp (Manchester): I beg to move:

'That the question be now put.'

This motion was put and carried.

The motion was put and carried.

Vote for Grants and Provisions

Mr Michael Chamberlain: I beg to move:

'That the Synod authorize the Archbishops' Council to expend in 2002 a sum not exceeding £1,230,132 in respect of Vote 3.'

The motion was put and carried.

Vote for Inter-Diocesan Support/Mission Agencies Clergy Pension Contributions

Mr Michael Chamberlain: I beg to move:

'That the Synod authorize the Archbishops' Council to expend in 2002 a sum not exceeding £464,000 in respect of Vote 4.'

Revd Ian Stamp (Manchester): I beg to move:

'That the question be now put.'

This motion was put and carried.

The motion was put and carried.

Apportionment

Mr Michael Chamberlain: I beg to move:

'That the net sum to be provided in 2002 to meet expenditure approved in Votes 901, 902, 903 and 904 to be apportioned between the dioceses in accordance with the Table of Apportionment (contained in GS 1421).'

On behalf of myself and of the Synod I would like to thank the finance staff in particular, but also all of the staff of Church House for the enormous contribution that they have made in respect of the financial papers and the issues which are before us today. I think that the Synod should know that a tremendous amount of dedication and work has gone into this, and we should all be extraordinarily grateful. (*Applause*)

The motion was put and carried.

(*Adjournment*)