

# Annual Report



The trustees, who are also directors for the purposes of company law, present their trustees report together with the financial statements and auditor's report of the charitable company – the Birmingham Diocesan Board of Finance Limited (BDBF) for the year ended 31 December 2020. The financial statements comply with current statutory requirements, the Statement of Recommended Practice for Charities 2015 ('SORP2015') and the Companies Act 2006.

This report is set out as follows:

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*"It should be noted that the Annual Report gives narrative on the activities of Birmingham Cathedral, Birmingham Trustees Registered, Church Schools, CIGB, Thrive Together Birmingham and individual parishes to give an overview of all Diocesan activities. However, the financial information of these entities is not included in the BDBF financial statements. They have their own financial statements as separately constituted organisations. (See page 42 for details of the structure of The Church of England.)"*

The members of the Bishop's Council set out below have held office during the period from 1 January 2020 to the date of this report, unless otherwise stated.

### EX-OFFICIO

*Bishop of Birmingham*  
The Rt Revd David Urquhart  
*Chair of the Diocesan Board of Finance*  
Mr Steven Skakel  
*Suffragan Bishop of Aston*  
The Rt Revd Anne Hollinghurst  
*Dean of Birmingham Cathedral*  
The Very Revd Matt Thompson  
*Archdeacon of Aston*  
The Ven. Simon Heathfield  
*Archdeacon of Birmingham*  
The Ven. Jennifer Tomlinson  
*Chair of the Diocesan Synod House of Clergy*  
The Revd Canon Priscilla White  
*Chair of the Diocesan Synod House of Laity*  
Mr Trevor Lewis

### ELECTED – HOUSE OF CLERGY

The Revd Douglas Machiridza  
The Revd Bamidele Sotonwa  
The Revd Becky Stephens  
The Revd Claire Turner  
The Revd Richard Walker-Hill (until 31 March 2020)

### ELECTED – HOUSE OF LAITY

Miss Jennifer Clark  
Mr Jonathan Goll  
Mrs Gill Gould

Mr Michael Hastilow  
Mrs Deirdre Moll  
Mr Julian Phillips  
Mr Wayne Simmonds (until 6 August 2020)

### NOMINEES

Mr Geoff Shuttleworth  
The Revd Canon Catherine Grylls  
The Revd Chris Hobbs  
The Revd Alison Cozens  
The Revd John Routh

### GENERAL SYNOD REPRESENTATIVES

The Rt Revd David Urquhart  
The Revd Canon Catherine Grylls  
The Ven Simon Heathfield  
The Revd Canon Priscilla White  
Mr Benjamin Hodson-Franks  
Dr Rachel Jepson  
Mr Geoff Shuttleworth

### DIOCESAN SECRETARY

Dr Jan Smart

### COMPANY SECRETARY

Ms Melanie Crooks (until 31 March 2020)  
Dr Jan Smart (from 1 April 2020)

### DIOCESAN DIRECTOR OF FINANCE

Ms Melanie Crooks (until 30 April 2020)  
Ms Karen Preece (from 1 May 2020)

### DIOCESAN REGISTRAR

Ms Vicki Simpson

### REGISTERED OFFICE

1 Colmore Row, Birmingham. B3 2BJ

### AUDITOR

Haysmacintyre LLP,  
10 Queen Street Place, London. EC4R 1AG

### BANKERS

Bank of Scotland,  
125 Colmore Row, Birmingham. B3 3SF

### INVESTMENT ADVISERS

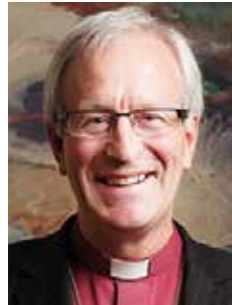
Smith and Williamson  
Investment Management Limited,  
9 Colmore Row, Birmingham. B3 2BJ

### PROPERTY AGENTS

Bruton Knowles, Embassy House,  
60 Church Street, Birmingham. B3 2DJ



## Bishop's Foreword



This has been an extraordinary year for the Church, the region and the nation, as the global pandemic changed patterns of life beyond everything that was recognised as normal. The adaptability and resilience people have shown has been awesome and I am deeply grateful for the work of so many who have enabled community to flourish, worship to continue and the most vulnerable to be cared for.

Covid-19 and its variants have revealed some hard truths too. It has been a year of 2020 vision as the stark reality of world-wide inequality has been revealed again. In England, the impact of the virus has hit some communities disproportionately. Online worship and engagement has further highlighted the digital divide and food poverty has revealed how precarious life is for so many.

On top of this, responses to the brutal murder of George Floyd crossed the Atlantic and laid bare the framework of systemic racism that is limiting the lives of Black people inside and outside of church. The Archbishops' Task Group has now published its report, 'From Lament to Action' and here in Church of England Birmingham, there is now a concerted effort to address issues of racial justice. This is much more than a knee-jerk response to a moment. I am committed, with colleagues, to the mainstreaming of racial equity in all CofEB strategies and initiatives.

At the same time, through the Living in Love and Faith process, the whole Church of England is being asked to consider attitudes to gender and sexuality, aiming to find ways of being church together in our 21st century context. This work will continue through 2021 as groups and parishes engage in the study material, with biblical, theological, scientific, cultural and moral perspectives.

While much of our attention has shifted to the immediate impact of the pandemic, the issue of climate change continues to be urgent and pressing as humanity considers its relationship with the planet and all of creation. As you will read, targets for zero emissions are being taken seriously and churches across the region are engaging with the Eco-Church initiative.

All these opportunities, issues and challenges bring me back to my understanding of the central Christian idea that God took flesh and dwelt among us (Gospel of John 1: 14). Christian faith is earthed in flesh, clothed in humanity and walks on soil. So too must Christian mission and ministry connect with the world around us in all its complexity, in joy and sorrow, in life and death.

Across the diocese of Birmingham, people are asking deep questions about life, relationships, purpose and belonging. They have stories to tell. This Annual Report gives a glimpse of Church of England Birmingham stories that I trust will resonate beyond any echo chamber or comfort zone.

John's Gospel goes on to say that we have seen the glory of God the Father reflected in the Son, Jesus Christ.

As society navigates the challenges of 2021, Church of England Birmingham, a Transforming Church, will seek to connect to our neighbours, learning to tell the story of God's glory afresh.

I pray that all disciples of Jesus Christ, empowered by the Holy Spirit, may do so, full of grace and truth.

*+David Birmingham*

**The Rt Revd David Urquhart**  
Bishop of Birmingham



## Chairman's Statement



As I write this in April 2021, I have been in office for just over a year, with the COVID-19 global pandemic dominating our lives since March 2020. Our principal activity is to have growing churches at the heart of every community, and we have adapted incredibly well, offering much of what we do online.

From a financial perspective, we have been blessed with continued generous giving underpinned by the national church's generosity. Later in this report, you will find a financial overview of the year including details of the impact and our response to COVID-19. However, such was the scale of the challenge facing The Church of England Birmingham and other dioceses that the national church assisted our cash flow by bringing grants forward and by creating a sustainability fund that we were able to draw on.

Our 2020 income of £12,256,000 was slightly higher than the prior year, however, there is a considerable impact relating to the disposal of redundant assets as documented in the Financial Review. Common Fund was considerably lower at £4,926,000, 12.2% less than 2019, but substantially better, given the circumstances. I want to take this opportunity to thank everyone who generously supported the Church of England Birmingham's ministry, an amazing and blessed outcome.

Our clergy, lay and ordained leadership have adapted to new ways of working that we would never have believed possible a few years ago. We hope that gradually 2021 will see the return of congregational gathering in our churches and a resumption of many aspects of ministry that have been paused.

In this report, you will find a detailed account of the work our staff and clergy continue to do delivering on our promises under the Shaping the Future programme and the People & Places framework, which contributed £1,155,000 to our income during 2020. Much of this work has continued throughout the pandemic, albeit there have been delays in what we had hoped to achieve in some areas. I hope you are as encouraged as I am about what is being achieved.

The big question that none of us can answer with certainty is how our income will evolve to reflect the passing of the COVID-19 peak. Understandably, this makes future planning more difficult. We expect that 2021 will be a year of two halves, with a slow start and then a gradual recovery as the year progresses. That said, we are planning for a significant deficit before calling on the sustainability grant mentioned above and by redesignating some of our Strategic Investment reserves. Whatever the outcome, we will adjust our costs to achieve a sustainable Church of England Birmingham in 2022 and beyond.

In February 2020, The General Synod voted to set a net zero emissions target for 2030, which aligned with the recommendation of our own Synod who had agreed the same target in November 2019. We are now working to deliver on a four-point plan to achieve net zero by 2030.

To finish, I would like to thank the many volunteers throughout Church of England Birmingham who give so much of their time both in the parishes and across the whole diocese.

*Steven Skakel*

**Steven Skakel**  
Chair of Birmingham Diocesan Board of Finance



FRAMEWORK

# PEOPLE & PLACES

PEOPLE & PLACES is the framework in which The Church of England Birmingham operates, enables its leaders, and lives out its vision for 'growing churches at the heart of each community'.

The traditional model of every church led by a single 'vicar' is not solely sufficient to serve the people of our diverse, urban and rural region.

Instead, every Christian community will have a trained leader, some of whom may be clergy people, who is the focus for a ministry team. This team encompasses the range of required roles as identified by any expression of church. Leadership and resources are no longer allocated by parish boundaries. The new framework enables them to be shared more fairly across all our worshipping communities and form a supporting network.

It is a model that enables **growth**, recognises and equips all God's people to be **capable** disciples and leaders. It allows us to be **fair** and generous in our distribution of resources and for a **sustainable** future to be built for all the people and places of The Church of England Birmingham.



GOALS



### Growth

To grow the number of adults, young people and children within the worshipping Christian community year on year.



### Seasonal

To make the most of opportunities presented by the occasional offices, the church calendar and invitational events



### Communications

To develop an understanding of communications in every parish, promoting a church that is visible, welcoming and accessible



### Growing younger

To develop a spiritually-enriching children's and youth ministry in every parish and church school, encouraging clustering where appropriate



### Core beliefs

To ensure that a Christian Basics course of some kind is offered in every parish at least once a year



### Discipleship

To implement in every parish an appropriate strategy for making confident, prayerful disciples in their daily life



### Generosity

To encourage an increasing number of worshipping Christians to take tithing seriously, and to give at least 5% of their income to the local church



### Partnership and Initiatives

To increase the number, range and spiritual fruitfulness of partnerships and initiatives for social and environmental justice and community building across the diocese and the world



### Diversity

To increase the number of leaders of all ages, and drawn from every ethnic group, who are trained and deployed in the church and wider community



### Interfaith

To encourage every parish community to think through the challenges of relating constructively to those of other faiths

STRATEGY

### Transforming Worship

Drawing us into the presence of the Living God

### Transforming Relationships

Finding healing, encouragement and challenge through our life together

### Transforming Discipleship

Enabling us to grow as confident followers of Jesus

### Transforming Leadership

Releasing and harnessing the gifts of all God's people

### Transforming Presence

Living out God's love in our communities and the wider world

### Transforming Outreach

Leading others to believe in Jesus and belong to his Body

### Transforming Partnerships

Working together with people of goodwill to see God's purposes

VISION

## Growing churches at the heart of each community

## 'More, and more confident Christians'





# INTERCULTURAL

## L I F E T O G E T H E R



After a year that has disproportionately impacted the UK minority ethnic communities of Birmingham, efforts toward being more intentional about inclusion were further galvanised by the killing of George Floyd in May. Many minority ethnic Anglicans were affected resulting in an increase in requests for pastoral support.

As a consequence of the Black Lives Matter protests, several meetings were held to discuss institutional racism and issues of racial injustice - one of which entitled 'Courageous Conversations' - was hosted by the Bishop of Birmingham. Handsworth and Central Deanery organised a walk of witness culminating with a service of lament at the Cathedral.



### Unconscious Bias Training

While there has been a significant increase in the uptake of Unconscious Bias Training (UBT) in 2020 by lay people, the number of UBT facilitators has decreased. To cope with increased demand, the training has been revised to form two elements: a written online module followed by a face-to-face Zoom session.

### Black, Asian and Minority Ethnic Reference Group

During the summer, the BAME Reference Group chaired by Revd Bamidele Sotonwa was formed. The group's aim is to support the CofE Birmingham in issues of racial equity and justice, gather consensus from minority ethnic Anglicans across Birmingham, and collaborate with white brothers and sisters to promote racial reconciliation. Working closely with the Dean of BAME, the group is helping to develop a CofE Birmingham wide racial equity policy.

A number of online materials for use in parishes were produced for Black History Month (October) and Racial Justice Sunday (February).

### 2021 Priorities

Racial reconciliation is essential to our witness of Christ's love. It can only be achieved with courage to reflect equal participation in the Church. To that aim, To that aim, the hope in the next year, is for a progression to:

1. A Racial Equity Policy that will prioritise representation and participation at all levels with all ethnic groups.
2. The establishment of a register to record racial incidents and a dedicated process for mediation.
3. Race awareness training for clergy and other licensed ministers.
4. Theological materials to support diversity and inclusion.





**The Rt Revd Anne Hollinghurst**  
Suffragan Bishop  
of Aston

## Changing Church – Changing World – Faithful God

2020 was not the year any of us planned, yet amidst the challenge and loss, change and chance, we experienced God at work. We began to see, perhaps more clearly than before, the nature of the task that God calls us to at this time and what kind of church God is calling us to be.

As my own ministry was turned upside down, my first and foremost activity of 2020 was offering support and pastoral care to our clergy and lay leaders, just as they in turn offered care and support in magnificent ways to their people and parishes. As the necessity of rapid response turned more to reflection, one of my contributions was an online Mid-Week Session which invited all those involved in church leadership to share stories and reflect on how mission and ministry were changing as a result of COVID-19 and all that we were learning. This covered themes of what it meant to be both a gathered and sending church, responding to the challenge of inequality and reshaping society, finding new rhythms for life and ministry, renewing communion and deepening community. The contributions were rich and spoke of many practical and hope-giving ways that our churches were serving their communities, and of a deepening understanding of what it means to 'live out God's love in our communities and the wider world' – one of our key areas of transformation.

After initial crisis mode, it was remarkable how many threads of on-going ministry and development continued. The regular monthly meetings that I facilitate to draw together directors and diocesan officers engaged in leading across the areas of discipleship, vocations, mission and ministry, went online like everything else. The work of supporting, resourcing and re-imagining mission and ministry to undergird our People & Places framework continued, albeit in new ways. The breadth and depth of change that is required to support this has meant that it has been even more vital for all our directors and officers to collaborate closely. I pay tribute to all my colleagues who worked through the disorientation and restrictions to continue to progress their ministry and objectives in such effective ways.

There have been significant developments within the wider Church of England during 2020, as the national church has also sought to respond to the new challenges and changing landscape. As the national vision and strategy have continued to develop, it has been encouraging to find that our own focus has been in step. One strand of this has been our work towards developing deeper discipleship, more confident leadership and witness of the whole people of God. One of the national commitments I have held over the last few years, as a member of the Faith and Order Commission, came to fruition in two publications by the group I chaired. The first of these was a short report and practical



theological workbook – 'Calling all God's People', and the second a fuller theological publication – 'Kingdom calling', on the nature of vocation, discipleship and ministry. The theological work in these publications has fed into our own reimagining of ministry and discipleship here in Birmingham. I was also delighted to sponsor a Birmingham team led by our Director of Learning for Discipleship and Mission, who participated in an inter-diocesan Setting God's People Free Learning Community. As a result of this, there are plans in progress for some pilot parishes to work on embedding a culture of 'everyday faith' supporting our aim of transforming discipleship.

Many other areas supporting mission and ministry have been ably led by colleagues and will be detailed elsewhere in this report. Among many I could highlight, I would particularly like to draw attention to the new Local Ministry pathways. A first pilot cohort has seen a number of vocations to local ministry, lay and ordained, tested through local discernment. This is a key element in supporting our People & Places strategy and my thanks go to all my colleagues who have worked hard in this area of transforming leadership.

Our diocesan areas of transformation and our transforming church goals span across the Anglican Communion's Five Marks of Mission and include our commitment to partnerships and initiatives for social justice, to transforming partnerships and transforming outreach.

Having been asked to be one of two suffragan bishops supporting the lead bishop on modern slavery / human trafficking in the House of Lords, and sustaining a long term concern in this area, in the early months of 2020, I convened a small focus group to look at how we could encourage greater awareness of the issues in the CofE Birmingham. Meetings were held with a range of partner organisations such as Adavu, The Children's Society, the Clewer Initiative, and the West Midlands Anti-Slavery network. Plans were in place to work towards supporting our parishes in awareness of issues with a focus on resources for Freedom Sunday in September. The pandemic hit and plans were put on pause. These are being picked up for 2021.

Looking ahead to 2021, questions are ever sharper as to what kind of church God is calling us to be. Our response to the report of Archbishop's Commission on Housing, Church and Community and the Church of England's new vision for Further and Higher Education offer two key opportunities to play our part in rebuilding our society and its values, and to be a transforming presence at the heart of our communities. I am looking forward to playing my part in developing our response as together we seek to keep in step with the Spirit, trusting in our faithful God.



# PARISH MISSION SUPPORT

2020 began as anticipated for PMS team with the annual Growing with God conference, hosted at St Peter & St Paul where around 100 children and youth workers gathered to celebrate and explore mission and ministry with children, families and young people as part of our shared commitment to Growing Younger. This event held very early in 2020, feels like a distant memory of a different universe now as we reflect on the conversations around missional stay and play groups, youth worship, community based missional presence and whether it was 'overkill' to provide hand sanitiser...

We are grateful to God for his protection at an event that preceded the emergence of COVID-19 by a matter of weeks.

Almost immediately, we entered a 'rubber hits the road' season for the Parish Mission Support team in our commitment to support and resource parishes with mission in their local context as we navigated alongside parishes in the subsequent months of constant change requiring frequent and exhausting decision making in all contexts.

The remainder of 2020 re-framed support for parish mission with young adults, young people, children and families as the team supported parishes engaging in online worship for the first time, opened bi-weekly online Zoom drop ins to connect face to face and be fully available to parishes whatever the week might bring. We have been privileged to pray with, laugh with, cry with and listen to many parishes as they navigated their way through such complicated times with perseverance, commitment and faithfulness.

There have been team furloughs, a restructure with a small number of necessary redundancies alongside new expressions of creativity and central offerings in response to parish need.

The expertise, courage and agile creativity of the team enabled development of online holiday clubs, hub gatherings and small groups for young people including the Bishop's Youth Synod - who were instrumental in creating and leading both the summer and Advent holiday clubs.

Resources were developed for a community Light Trail in the autumn which saw hundreds of people follow trails of lit up windows proclaiming 'Light in the Darkness' in the complex season of Remembrance and All Souls.

Working closely with the Communications team, the Online Chapel was launched with 24 hours of prayer, followed by central offerings at Remembrance and Advent seeking to both reduce pressure on parishes by offering a time to be together with reduced planning burdens and also explore the possibilities of online worship and mission in an increasingly parallel world.

Three online Christingle services offered parishes the opportunity to participate together without the stress of organising outreach in new and unfamiliar territory. Over 300 household groups enjoyed Christingle services hosted by Bishop David and local parishes in Weoley Castle and Banners Gate.



Our annual pilgrimage to Taizé was not possible in person, but became 'Taizé at Home'. In partnership with the dioceses of St Albans and Worcester, we hosted online worship, 'attended' Taizé online and celebrated socially together. This has developed into an online Taizé group that meets for worship monthly.

Our Youth Synod has flourished as they navigate online gatherings. The group has been involved with creating and leading holiday clubs and launching new youth led cells as part of the SDF youth project.

The youth project saw a short period of furlough in the initial months of the pandemic, but in the second half of the year has been reviewed and redefined to serve the current season. New youth cells are emerging, with a focus on supporting young people as they navigate home schooling and mental health challenges in this season.

In the midst of the pandemic challenge, plans are emerging for the second cohort of Children and Families Missioners (CFMs). Consultation is underway with the three appointed Area Deans with a view to placing three deanery CFMs in 2021, with the remaining three coming on stream in 2022 when the further three Area Deans are in post.

Transforming Church Action Planning (TCAP) continues to be a significant process for parishes across Church of England Birmingham. The process of reflecting on parish identity, community connection and future calling is becoming recognised as a vital part of the toolkit of underpinning decision making under pressure. Parishes that have a well-defined understanding of their priorities are able to respond most effectively to the constantly changing landscape as the pandemic unfolds.



2020 also saw a brief period of furlough for the team in response to parishes needing to focus internally in the early months of the pandemic, but the team quickly returned and are working with an ever increasing number of parishes as they explore the areas God is calling them to focus on for the coming season.

TCAPs remain living documents that lay out vision for the future - whatever the immediate practicalities demand. The process of prayer, listening, and reflection frame action linked with the wealth of resources available from staff 'formally based at 1 Colmore Row' and now in the main working from home.

There is no doubt that this has been a difficult and complicated year for the parishes we serve, and we are grateful for the commitment, faithfulness and partnership of so many lay and ordained leaders and colleagues. We remain grateful for the ongoing support of the Church Commissioners for both their financial support, and willingness to receive adaptations to our original project proposals.

## 2021 Priorities

Support for parishes will adapt and respond as we seek to discern how God is leading in the midst of political, economic, social and environmental change.

We will continue to support and develop new expressions of mission, creating and releasing resources and online events to support mission and discipleship, placing three deanery CFMs, and recruiting a further three for 2022. Our online offerings will respond to changing circumstances in a parallel online/in-building context.

The TCAP team will seek to engage every parish at a time and a pace appropriate to the local context.

# Interfaith

The year started by working with Revd Paul Hinton, Head of Ministry Formation, to deliver two interfaith experience days for curates and new incumbents. This included visits to a Mandir and Mosque, visiting different parish contexts and hearing from clergy and parishioners about their mission and ministry amongst people of different faiths. Soon after this, the first lockdown was announced, and the work changed dramatically. Despite the challenges of online working, interfaith activity continued, adapted and even flourished throughout the year. The basis of most interfaith work is meeting and relationship, so we have been learning how to create meaningful activity online using the ubiquitous Zoom meetings.



The Birmingham Conversations is a dialogue project that has been running since 2014 and we decided to use that brand and run a regular series of meetings online throughout the first lockdown. These ran weekly from the end of March until the start of June and attracted participants from all the major faith communities. Each week we looked at a theme that related to the situation we found ourselves in and explored it from different faith traditions. The experiment of moving dialogue

to the online sphere worked well and was appreciated by all those who attended. We learnt much about how to create an environment for discussion and the best way to use the technology. In July, we ran a three-week series of the Conversations focused on prayer. Each week, two people would talk about a prayer from their faiths and what it meant to them. This would then be used to open up conversation between the attendees. We discovered much that we had in common but also significant differences in the way we pray and what it means to us. There is now a Birmingham Conversations YouTube channel with films of the speakers available through the Faiths, Neighbours, Changemakers (FNC) website and a new logo designed to help promote future events. Leading interfaith dialogue online opens up new possibilities and challenges. To further understand these, Andrew Smith, the Director of Interfaith Relations, wrote a paper on 'Dialogue During Lockdown' which was subsequently published in The Journal of Dialogue Studies.

At the start of the pandemic, Andrew was asked to join a task group with West Midlands Police to help advise on how faith communities were responding to and coping with the pandemic. This has led to a strong working relationship with WMP helping officers understand the diversity and nuances of the faith communities in Birmingham.

The Presence and Engagement (P&E) group has continued to meet, looking at how we can support churches to develop and grow their children's work. Despite having to change plans, we have been developing and collecting resources that reflect the ethnic,



geographic and national diversity of the Church of England in Birmingham. We want children to feel welcome by seeing images, hearing stories and taking part in activities that reflect their background and culture. We also want children across the region to grow up knowing that the church is truly diverse and that everyone can be a disciple and contribute fully to the life of the Christian family. To this end, we produced a short film for churches that featured six people sharing how they celebrated Christmas and what it meant to them. They came from Iraq, Sudan, India and the Caribbean and all live and worship in Birmingham.



Fr Julian Sampson, the Catholic Lead on Interfaith Relations, writes: "Most parishes of the catholic tradition are in P&E areas for historic reasons and, once again this year, the focus of my work has been to support and encourage our parishes to reach out to neighbours and friends of other faith traditions. As a member of the National P&E steering group, it has been useful to explore good practice, and to share some of the innovative work we are developing in Birmingham."

Our greater reliance on digital platforms for meeting people is an opportunity for P&E parishes. At Christmas, I sought to encourage parishes to think about the ways in which the Christian story could be shared with people of other faith traditions online.

I was pleased to contribute to Interfaith Engagement days for Curates, and to share some of the joys and opportunities that ministry in a P&E context brings."

### 2021 Priorities

Fr Julian will oversee the continued development of our P&E catholic learning community, with meetings taking place online.

The Birmingham Conversations will be continuing, and Andrew Smith is undertaking further research into the effectiveness of online interfaith activity working in collaboration with the Centre for Trust, Peace and Social Relations at Coventry University.

A second film will be made by the Children in P&E parishes group, this time hearing the stories of how and why people celebrate Easter.

### PARISH HIGHLIGHT: Transforming Worship



### Ascension, Hall Green

The Arabic church started in September 2019 to provide a spiritual home for the Arabic speaking Christians in the city of Birmingham. The people of the Arabic church have become part of the Church of the Ascension during 2020, and one is training as a Reader. We no longer call them the Arabic church, but they are referred to as the 4 O'clock Congregation.



## Parish Finance

The ethos of the Parish Finance team is to help and support those involved in the delivery of the mission and ministry of the Church. Many parishes employ staff, either full-time or part-time. We have been providing a payroll bureau service for over 20 years and currently work with 91 employers, paying around 350 employees each month. During 2020, we supported many of them to claim government job retention scheme funding efficiently as they adjusted to the effects of the pandemic on their activities.

At the start of 2020, we launched our Parish Bookkeeping service (supported by People & Places Strategic Development Funding), supporting parishes from recording their day-to-day transactions through to preparing monthly and year-end accounts and helping with budgets. We tailor our service to meet their individual needs.

*"The Bookkeeping Service has been invaluable to St Michael's Church. At a time when the church accounts were manually maintained and needed to be brought up to date, the offer of help was a real lifeline. A professional and supportive service, with time being taken to understand St Michael's functional and financial set up, training given to enable input of our own data with ongoing consultancy support. Additional benefits have been attendance at PCC meetings to present accounts, sharing of best practice, introduction of useful contacts and of course financial (having the service provided free of charge)"*  
- St Michael, Boldmere

We look forward to 2021 to introduce our Generous Giving facilitator (funded by Church Commissioners) who will extend our support to parishes in growing and nurturing generosity as well as providing practical resources to grow and develop in new ways.



## Human Resources (HR)

The Human Resources (HR) Team provides a comprehensive HR service across The Church of England Birmingham; helping to recruit, retain and develop the right people, lay and ordained in the right roles, contributing to our shared vision of Transforming Church.

As part of the Parish Support Services stream of People & Places, we provide support and guidance to any parishes that employ, or are considering employing staff; aiming to reduce the apprehension and administrative burden of being an employer. We have had a very busy year, supporting parishes in navigating the COVID-19 pandemic through the Job Retention Scheme, restructuring of staff teams and recruitment. We are always available to answer parishes employment-related queries, using our understanding of the parish context to assist with

recruitment, contracts of employment, policies, procedures, handbooks and much more.

We continue to provide HR expertise to the CofE Birmingham in a range of matters, ensuring that all roles are effectively aligned to our strategic priorities. Our main focus this year has been to ensure that individual staff members, teams and the CofE Birmingham wider-team come through the pandemic 'well' and are able to effectively undertake their roles in supporting the mission and ministry of our worshipping communities.

Over the coming year, we are planning on continuing to run drop-in sessions, as well as offer new workshops on some key skills and areas of knowledge that will assist our parishes who employ staff.

## Property

The COVID-19 pandemic did not stop the Property Team from supporting parishes and contributing to the strategy of the CofE Birmingham. Part of the year was spent modifying the way we work to enable the team to provide advice to parishes on their building responsibilities during lockdown including advice on building closures and insurance obligations through to re-opening procedures and risk assessments around COVID-19.

The Clergy Housing (Residential) Surveyor, Richard Hall successfully oversaw the ingoing works for our new clergy despite the budget challenges and the reduction in available materials. The Parish Building Surveyors, Jan Bakewell and Andy Schofield, reached a milestone in being in contact with over 100 parishes and providing essential support under the People & Places programme.

Jan and Andy have effectively overseen several projects on church property including reactive repairs and maintenance on behalf of PCCs, which has involved managing a wide range of suppliers and building contractors.

The CofE Birmingham received further great news in 2020 when Historic England confirmed that they would support the Places of Worship Support Officer (PoWSO) role for a further three years until 2024. This is a result of Ian Simpson and his predecessor, Ben Smith being directly or indirectly involved with the generation of £1.5M of funds within the first three years of the role, in addition to having a significant impact in training and supporting parishes in relation to their capital projects, maintenance and fundraising.

## Communications

During the COVID-19 pandemic, working closely with CofE Birmingham staff and parishes, the Communications Team forged new paths. Offering daily Parish FAQ Zoom meetings, Mid-Week Sessions, and varied resources through social media, including a filmed weekly message from Bishop David, helping to communicate the God that we know and see, at work in all our lives, our churches and across our diocese.

In the autumn, Jenny Thurston was appointed as the full time Director of Communications and, at the very end of 2020, we

welcomed Andrew Waddams to the role of Production Manager. The Communications Team continue to support parishes and the diocesan teams by developing all areas of communication through on-going conversation, seeking to enable relationships across the CofE Birmingham, exploring and refining understanding of our Transforming Church Goal 03: To develop an understanding of communications in every parish, promoting a church that is visible, welcoming and accessible.



## SAFEGUARDING

The Safeguarding team of five officers has worked throughout the year to improve and increase the advice and support we offer to parishes with concerns, recruitment, policy, good practice, and training. All policies are being reviewed and revised by the national team along with working groups which have included Diocesan staff.

During this past year, we have had to adapt our training and contact due to the pandemic. We have increased our accessibility through regular Parish Support Zoom meetings. The training is now conducted through the Zoom facility and it has been a success. Obviously, it does not replace face to face, but we have been able to continue with the training programme when we were unable to physically meet. We have made substantial progress this year with the training and safer recruitment of ordained and lay ministers and officers and introduced some changes to our online Disclosure & Barring Service check process to improve our service to parishes. To increase awareness of our safer recruitment processes, we've developed an online training pack for our parish identity verifiers.

Unfortunately, our annual resource day has had to be cancelled this year due to social distancing guidelines. However, we are due to hold six Deanery support events in May 2020/21 with all the safeguarding co-ordinators in an attempt to replace the resource day until we are able to hold this event again.

Brief Guides for leaders and helpers on safeguarding children and young people, vulnerable adults, safeguarding ourselves in pastoral relationships and the categories of abuse continue to be available on our website. There is also a guide for children and young people to let them know how the adults who lead their activities should behave.

The team have managed to continue with parish 'visits' via Zoom and reassured many churches about to begin a leadership vacancy of the safeguarding support available for them. To assist parishes with concerns, we have also helped with governance and safe practice and have developed induction packs for, and met (via Zoom) with, new parish safeguarding co-ordinators and new incumbents to ensure they are briefed on safeguarding arrangements in our diocese.

The team have contributed to the National Past Cases Review (PCR1) and an independent reviewer has been engaged and is reviewing all safeguarding cases relating to a church officer role. This review has been included on our website and contact details for survivors who wish to contribute to the review have been made available. It is anticipated that will complete mid-year.



Safe Spaces, which was launched in 2020, is a service delivered by victim support and funded by the Church Of England and The Catholic Church of England and Wales. It is a confidential service for survivors of abuse within a church setting. We have promoted this service and encouraged persons to make self-referrals where needed.



**Bishop's Safeguarding Adviser:**  
**Steph Haynes**

Tel: 07342 993 844 Email: StephH@cofebirmingham.com

## Hospital Chaplains



Hospital chaplains were integral to the NHS response to the COVID-19 pandemic in 2020. University Hospitals Birmingham NHS Trust saw one of the highest numbers of deaths from COVID-19 in the country, and chaplains supported patients, relatives and staff in this extraordinary time. Whilst the challenge was immense, new ways of offering support emerged. The value of teamwork – ecumenical and interfaith – was reinforced, and some deeper connections with Church of England Birmingham were also fostered. Those working in the Birmingham Women's and Children's NHS Trust are particularly aware of the long-term impact of the pandemic on families which will continue to be the focus of attention.

Two long serving and much valued chaplains – Denise Jones and David Harrison - stood down from their roles at the end of the year; there are currently four employed chaplains who are licensed by the Bishop of Birmingham.



## Women's Ministry

The pandemic has meant that we have not been able to offer specific training for women clergy in 2020. However, we hope to resume this in 2021 and we are liaising with the Pathways team in order to make this possible. With that aside, this year has seen some great development in Women's Ministry, locally and nationally.

In November 2019, the Deans and Advisers in Women's Ministry were invited to spend the day in Lambeth Palace where we were led by the chairs of NADAWM, WATCH and the Transformations Steering Group. Bishop Anne also attended the day and Bishop David was able to be there for some of the discussions. NADAWM (National Association of Deans and Advisers in Women's Ministry) have been reflecting on this gathering throughout 2020, carefully considering the outworking of the five Guiding Principles, representation of women among clergy, and Clergy Wellbeing regarding issues particularly affecting women.

The Family Friendly policy has been particularly welcomed by NADAWM as it has created a visible policy for maternity/paternity leave. The document addresses issues which had previously made planning a family complex. It includes advice on parental leave for ordinands and how incumbents might arrange cover. We have been delighted to support women in Birmingham as they have become mothers in training and during their curacy. Congratulations to you all.

Women and the Church (WATCH) has again produced data, which shows that of all stipendiary clergy in Birmingham, still only 28% are women. We are continuing to address this and have been pleased to welcome a further eight deacons this year who are women, five of whom are training for primary responsibility. We have also seen a growth in the number of women who have become Training Incumbents.

We are delighted that two of our Area Deans are women and that we continue to be blessed by the ministries of Bishop Anne, Canon Josephine, and Archdeacon Jenny.

We are acutely aware that, among those ordained in Birmingham, women of colour and those with disabilities are severely underrepresented. To address this, women in our congregations were invited to attend The Deborah gathering which aims to encourage and enable women, particularly women of colour. NADAWM are appointing someone to oversee the national development of ensuring greater equality among clergy. Any learning opportunities we can take from this will be shared with our Dean of BAME and Adviser in Disability in CofEB.



Finally, we have been delighted this year to have enabled a member of clergy to be a part of the Leading Women Programme and hope that this will be an opportunity to offer further training events in CofEB. The course will run again next year, and the bishops will have the opportunity to nominate candidates for selection.

## Licensed and Commissioned Ministries



### Staying faithful... Learning Online... Deepening Prayer... Being Grounded

These phrases sum up the powerful experience of supporting licensed and commissioned ministers through 2020 as we adapted to the challenges and opportunities of the pandemic.

Staying faithful: we sustained and extended our work in nurturing the call, training and continuing formation of licensed and commissioned ministers, lay and ordained.

Learning Online: we discovered new ways of teaching and learning through IT so that our programmes continued to engage a wide range of participants in becoming more deeply rooted in God's wisdom through theological study and reflecting on Holy Scripture.

Deepening Prayer: we used new media to sustain and enrich our lives of personal and corporate prayer and worship.

Being grounded: we remained present to one another and to God as we supported ministers and Christian communities to grow and change through the strange new realities of mission and ministry in pandemic.



### Vocations Development and Discernment 2020

In Church of England Birmingham, vocation continues to flow from the Transforming Church goal of making confident, prayerful disciples in daily life. In 2020, as a nation we witnessed the army of essential workers providing care and service during the COVID-19 pandemic. Many of these essential workers were not recognised in the right way until the pandemic crisis.

It is a privilege to speak with people exploring vocations in the widest sense, wanting to serve God and the community they are a part.

Lay pioneers and teachers are among the many areas people have been exploring with the DDO and team of Vocation Advisers.

A number of Vocation Advisers and Examining Chaplains work with the DDOV in supporting vocations and advising the Bishop on discernment.

18 people were recommended for training after attending a Bishop Advisory Panel that discerned their sense of vocation to ordained ministry.

#### Training for Ordained Ministry: Initial Ministerial Education Phase 1

There are currently 22 people in training within the following training institutions: Queens Foundation, Birmingham; Ridley Hall, Cambridge; St Mellitus, London and East Midlands; Trinity, Bristol; Cranmer Hall, Durham; St Stephen's House, Oxford; Wycliffe Hall, Oxford.

#### Ordinations 2020

In 2020, the Bishop ordained ten deacons and seven priests. These were much smaller services due to government COVID-19 guidelines but were not lacking the usual awe in worship and commitment of an ordination service. Each service captured the gracious call of God and the celebration of ministry of the whole people of God.

#### The future, 2021 and beyond

The aim over the next three years will be working towards seeing growth in vocations through:

- Cultivating a broad sense of vocation development
- Nurturing lay vocations
- Consolidating local discernment and assessment panels
- Increasing younger vocations, particularly to ordained ministry
- Recruiting more people to discern vocations as Vocation Advisers.



## Initial Ministerial Education Phase 2: 2020

During the summer of 2020, ten new Deacons arrived in parishes across CofE Birmingham to emerge into new ministries in a time of great challenge. Their ordinations were delayed until Michaelmas and it is a tribute to them and their Training Incumbents that they were able to creatively engage in ministry so fully. In all, 30 Curates were placed with experienced Training Incumbents in parishes in a range of contexts around CofEB for up to 42 months. Their formation programme is overseen by the Revd Paul Hinton. Seven Curates completed their initial formation and moved into new posts of responsibility in Birmingham and other dioceses. Regular monthly training events for Curates included the annual January retreat at Holland House, Cropthorne, whose Warden Revd Ian Spencer, led a programme exploring the theme of Christ at Play in Body, Mind, Breath and Community. We continue to be very grateful for the wide range of expertise and wisdom which supports Curates in their formation, including the work of two new IME2 Associate Advisers, Revd Ivor Lewis and Revd Gary Birchall who joined the team with Revd Sharon Jones and Revd Hazel White. We are also indebted to our lay assessor, Miss Mary Edwards. Thanks are extended to the Revd Dr Andrea Russell from the Queen's Foundation, for crucial work in educating Training Incumbents, as well as to Harriet O'Hara for her ongoing administrative support.

## Clergy Continuing Ministerial Development 2020

- CofE Birmingham continues to support the flourishing in ministry of clergy at every stage of their ministry, through Continuing Ministry Development and Ministry Development Review, directed by Revd Canon Dr Mark Pryce.
- Bishop's Study Mornings at the Cathedral:
  - June 2020 Lament, Witness, Hope: Theological Reflections in a time of pandemic, focusing on the meditations of Julian of Norwich and a range of reflections on Scripture, Prayer, Song and Experience from ministers engaged in mission and pastoral care in parishes and local communities.
  - November 2020 Mark's Gospel - Unfolding the Scriptures for Clergy, Lay Ministers and Readers led by Dr Emma Ineson, Bishop of Penrith and former Principal of Trinity College Bristol.
- Clergy and lay theologians shared theological research insights at regular Round Table Theology seminars, including

Jon Tattersall's MA thesis: 'Wheelchairs and stuff' - An exploration of how Pentecostal and Charismatic Constructions of the Eschaton impact those living with disability; Naomi Nixon's doctoral research 'What is the Soul of FE Chaplaincy?' Geoff Lanham's MA Thesis 'A critical exploration of kenosis in relation to the place of self-love in the Christian faith'; and Dr John Barnett's doctoral study 'Christian Sikh?' An experiment in multiple religious participation.

- A number of clergy enjoyed sabbaticals and extended study leave to enrich their on-going ministry, and over 20 clergy received grants for retreats and ministry development courses, including training in Spiritual Direction and Accompaniment as part of the West Midlands Spiritual Directors' Forum course.
- Design proposals for new pathways in training for licensed ministry are in process, responding to pastoral and mission opportunities opened-up through the People & Places programme.

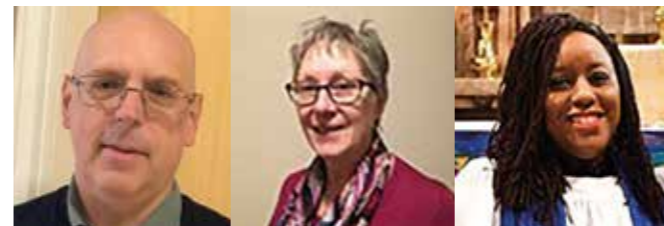
## Initial Training for Reader Ministry 2020

Thirteen Readers in Training from ten parishes completed their first phase of formation during 2020, all of whom were Admitted and Licensed in April 2021 by Bishop David. This formation was accomplished thanks to skillful and committed tutoring by Moira Johnson and Stephanie Hayton, working with the Revd Paul Hinton as Director of Reader Training. During the course, we moved from 'in person' sessions to working together on Zoom. It is a huge tribute to tutors and the whole cohort that this seamless transition enabled a high quality of teaching and learning to continue. Our thanks are extended to parishes, incumbents and other Readers who mentored and encouraged them in their formation and to Marlyce Bryan who has so ably supported with administrative back up. One of the consequences of the pandemic has been that the new course, which would normally begin in October, was delayed until January 2020. A new cohort of seven Readers in Training began their initial phase of formation without yet meeting each other in person. Drawn from a wide variety of social and educational backgrounds, bringing vast life experience to this most valued of ministries. Newly licensed Readers have the opportunity to continue developing their ministry through the NEXT programme, which is led with wisdom and insight by course co-ordinator, Revd Nick Ross, and joined by Revd Sam Gibson as a co-leader. We are grateful for their attentiveness to this continuing phase of training.



## Reader Ministry 2020

- Reader Ministry across The Church of England Birmingham is overseen by Revd Canon Catherine Grylls, Warden of Readers. Catherine is joined by three Assistant Wardens: Ian Crockford, Michelle Grannell and Maggie Forknell together with Deanery Wardens.



- Over 200 Readers in CofE Birmingham share in leading God's people in mission and ministry in a wide variety of parishes and in chaplaincy ministry. They bring an extraordinary range of gifts into mission and ministry in Christ's name: preaching the Gospel, leading study groups, assisting in pastoral ministry, connecting a world of work and social need with worship, drawing on insights from their daily lives and varied experiences.
- Readers are vital members of Ministry Teams. Two Readers serve as Ministers-in-Charge, and a number of Readers are key members of teams during interregnums in parishes. Readers in the diocese range in age from 30s-90s, and in length of experience of Reader ministry, from 0-40 years. During 2020, another thirteen people were Admitted and Licensed.
- The leadership team was widened, with a team of three Assistant Wardens of Readers commissioned by the Bishop to work with the Warden of Readers (all Readers themselves) and a new team of Deanery Wardens of Readers beginning to be established as the new full-time Area Deans come into post. We are shaping a leadership team which models collaboration between ordained and lay licensed ministers, and aims to build up confidence as disciples in all lay people, and to encourage gifts and confidence in lay leadership.
- Every licensed Reader in the diocese is automatically a member of the Birmingham Readers' Association. The Association provides a forum for consultation and discussion on the practice of Reader Ministry, and offers a supportive community, through which Readers can provide help and share wisdom with one another. In 2020, the Executive Committee has been engaging in a process of review, with the intention of re-shaping the Birmingham Readers' Association to better support Readers in ministry, and to contribute more effectively to the outworking of the Transforming Church vision and the embedding of the People & Places framework.

- 2020 was a year like no other. Here is a patchwork of comments from Readers:

*'I have provided various resources to a WhatsApp Group... I must say preparing all of these has inspired me and kept my focus on Jesus at this really difficult time.'*

*'During April to September I took the lead with organising an online Evening Prayer on a Monday evening... Looking back, the style of online evening prayer evolved over the course of the lockdown... Upon reflection seeing a need and taking the initiative with trying out a new approach to worship (looking for solutions using technology) brought a sense of the familiar/certainty in the uncertain times.'*

*'We have had for many years a habit of saying Morning Prayer on weekday mornings at 9.30am... With the advent of lockdown, this moved to Zoom which cut out a couple of regulars but made it more accessible to some at a distance... As we were hosting a Food Hub with reclaimed food and donations, we prayed a lot for that. From mid-May, the Hub made available slips of paper where visitors could request prayer... We sometimes wrote cards back to those who had written requests, some of whom have increased contact with the church but most of the pray-ers wouldn't know them if they passed us in the street!'*

*'We have had a weekly mid-week online service since March. I led and actively streamed the first of these but this dual role was soon being shared by colleague Readers... Numbers tuning in has varied. Initially we were getting maybe 20 joining us... We are aware that we have some who join us who are not parishioners... I started this with no experience in this type of operation... I have discussed with our Vicar the possibility of making this a focus of my ministry as we can see initially the need to continue for some time but also a usefulness even when we return to a more normal operation.'*

*'I'm part of the team running our Alpha Course and that's gone online too... This pandemic does seem to have stirred some spiritual yearnings in people and courses like Alpha are one way for people to explore the Christian faith. Not everyone can engage with church online and lockdown is disproportionately hard on those without access to the Internet, who are often those of more advanced years. Similarly others have not been able to work due to the restrictions and are facing hardship. These and other consequences of the pandemic mean that the shape of my pastoral care has needed to change too.'*

## 2021 Plans

Seven people took part in the annual Discernment and Selection Day 2020, and training began in January 2021.





## Local Ministry Pathway 2020

- Leaders from inner urban and estate churches completed a foundation year of leadership training in the new formation pathway for Local Ministry.
- This is a pilot programme led by Revd Canon Andy Delmege, training the leaders for churches and Fresh Expressions, grant-funded by Allchurches Trust.
- The discernment and formation of participants for service and leadership as Local Ministers continues in 2021 and 2022.
- Diocesan Synod welcomed the Pathway and proposed training for local authorised ministries.



## Commissioned Lay Ministry Offering Pastoral Care and Community Skills 2020

The scheme continues to equip Lay Pastoral Teams who are commissioned to work with Clergy and Readers in the mission and ministry of congregations across CofEB. A new approach to training which enables teams to be commissioned after the first phase of formation – by completing the Learning to Listen and Listening to Communities modules.

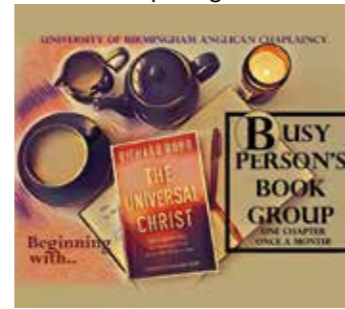
Delays caused by Covid-19 have not prevented two new teams – at St Hilda, Warley Woods and St Bernard, Hamstead – complete training together, joining 40 lay pastoral teams across the diocese. More than 65 people from these teams came together for an Annual Away Day in March (just days before the national lockdown), entitled Wisdom for Pastoral Care in Turbulent Times with keynote speakers including the Revd Canon Dr Sharon Prentis and theologian and bible scholar, Ann Conway-Jones. The scheme continues to be supported by CME Advisers and

volunteer tutors with particular skills and expertise. We depend upon their wisdom and insight.

Our thanks are particularly extended to Allannah Brenan who stepped down as a CME Adviser after many years.

## Higher Education (HE) Chaplaincy 2020

- The Anglican Chaplaincy at the University of Birmingham moved to working on Zoom the day after the first lockdown began. Much needed pastoral support, prayer and services continued relatively uninterrupted as staff and students adjusted to the new restrictions.
- New modes of communication connected the chaplaincy with international students, postgraduates and staff not normally able to take part in activities, including weekly online worship and a full programme of ecumenical Holy Week Services.
- A new online book club has led to the deepening of faith and relationships.
- Regular Midday Prayer and meditation have provided staff and students with a space in which to relieve stress and reconnect with God and each other.
- At Christmas, with funding from the Anglican Chaplaincy Trust, the Chaplain distributed a Christmas care package for students who would be in halls over the festive period. The bags contained fairy lights and treats as well as the Church of England's Christmas at Home booklet and details of local in-person and online Christmas Services.
- The University Christmas Carol Service was streamed to Facebook and had tens of thousands of hits as alumni from all over the world tuned-in to celebrate the Birth of Christ.
- Vocations continue to grow and flourish at the Chaplaincy, with one student going on to become a parish assistant, one staff member about to go to a Bishop's Appointment Panel and one who has just entered the vocations process. Even in lockdown Christ has called and the faithful have responded!
- Looking ahead: work is continuing to develop a new scheme of HE Chaplaincy provision across the city, connecting HE institutions with local church communities and building on the substantial relationship Church of England Birmingham has with this vibrant and growing sector.



## Religious Life and Religious Communities

- Birmingham continues to be blessed by a number of Anglican Religious Communities – women and men living vowed lives of prayer and service, singly or in small communities, including the Sisters of St John the Divine in Marston Green who have a special commitment to support People & Places in prayer.
- The work of Anglican Franciscan brothers supporting asylum seekers and refugees in Birmingham parishes was specially featured in the international Franciscan journal, which has been a spiritual source of prayer and renewal through 2020.
- Religious life in the CofE is a unique connection with other Anglican provinces around the world, and with ecumenical partners.
- Each year at Candlemas 2020, Anglican Religious women and men join Roman Catholic brothers and sisters in renewing their vows, and those celebrating 'jubilees' in the vowed life receive special prayers and congratulations.
- Brother Edmund SSF of the Society of St Francis celebrated 50 years in religious life. (Below right: Br Edmund SSF with Archbishop Bernard Longley at St Chad's Roman Catholic Cathedral Birmingham 2020)



## Changes in key personnel in 2020:

- Revd Dr Sam Gibson joined as part-time Associate Ministry Development Adviser, working with Nick Ross in the continuing development of newly licensed Readers and Andy Delmege in leading the Local Ministry formation Pathway.
- Revd Gary Birchall and The Revd Ivor Lewis joined the team of Associate IME2 Advisers supporting Curates in their formation.
- John Restall and Revd Saskia Barnden joined the team of CME Advisers supporting commissioned pastoral teams in parishes.

## PARISH HIGHLIGHT: Transforming Outreach



## God's Heart for Longbridge (GHfL) Chaplaincy

GHfL was established during the early stages of Longbridge Town Centre development to develop ways to create a visible (ecumenical) Christian presence without a church or community building. In 2020, unable to hold events, we have posted stories and photographs from previous events, and reminders that we are praying for our community, especially those who have lost loved ones during the pandemic, those who are struggling with financial difficulties or are anxious about their jobs or businesses, and for our schools and colleges.





## Pathways

Lifelong discipleship; Flexible learning; Flourishing teams.

Pathways came into being at the start of 2020 within the Transforming Church vision to grow churches at the heart of each community. Pathways is aligned with the six Deaneries within the People & Places framework, supporting the growth of disciples and lay leaders who are exploring and discovering opportunities to serve and lead in new ways. Through the flexibility of the new learning Pathways, we are seeking to provide opportunity for every Christian and church community in the Church of England Birmingham family to grow in their capacity to live out the Good News of Jesus, equip them for serving Him and be servant leaders in every sphere of life.

We began the year with a re-imagining of learning for ordained and lay missional leadership across our diocese and what the new Pathways could look like. From March, we ran a recruitment process for a Pathways team of six and, despite the restrictions of lockdown, were successful in recruiting and appointing a creative and passionate team who have been working together to develop learning pathways, mentoring and coaching. Over the past few months, the team have been building relationships with people in parishes and Deaneries. We have been seeking to listen well and understand the learning needs of those in ministry and who are exploring leadership and it has been exciting to work together as a team to connect the learning and support with different ministry areas.

The concept of learning Pathways focuses on bespoke mentoring and modular learning pathways to deepen faith and to raise skills, confidence, ability and commitment. Pathways is about leadership development and training in new skills and approaches to meet the challenges of mission and ministry in a changing culture. It builds on Flex, the original pilot for Pathways, which is a learning pathway with many learning opportunities for all interested in mission and ministry with young people, children and families and young adults. Over the past year we have worked collaboratively with clergy, lay leaders, youth and children's workers, Readers, Curates, Area Deans and Theologians to create content and develop ideas for learning in new ways. We now have a growing network of Tracks, Paths and Ways on the Pathways learning platform including Unconscious Bias, Safeguarding, Intercultural Awareness, Flex, Reader Ministry, Unfolding the Scriptures and the Psalms. These can be accessed through a simple registration process by going to [birmingham.learn.anglican.org](http://birmingham.learn.anglican.org).

Pathways enables learning in all kinds of ways and that includes gathered sessions. However, the rapid switch to digital platforms and video conferencing during lockdown gave us a tremendous opportunity to begin exploring different ways of learning with people who were quickly adapting to the new online environment. This fully enabled people around CofE Birmingham to access learning which is relevant to their context and ministry, in their own time and at a pace to suit them.

We have recently appointed an organisation to partner with us who will develop the coaching training and the individual coaching for those in new leadership ministry roles. This coaching will be embedded with the values of diversity and inclusivity as will the mentoring offered to all those on a learning journey.

### 2021 Priorities

The coming year will bring challenges that we had not envisaged at the beginning of 2020. The challenges to our leaders and the opportunity to change and adapt leadership roles and styles have never been greater. So, Pathways is designed to be flexible and agile so that the shape and content of the learning Pathways are responsive to the needs of emerging ministry areas. New pathways will include Oversight Ministry, Local Ministry, Coaching, Mentoring, Induction, Finance for Treasurers, Working with Volunteers and Servant Leadership. At the same time, we will be developing a network of learning mentors to come alongside those on leadership pathways so that they are supported on their learning journey. In this way, every Christian community in CofE Birmingham will have a trained and supported pastoral minister and a well-equipped, flourishing team which is reflective of the local community.



## Learning for Discipleship and Mission

We give big thanks to God that in 2020 there were four moves towards building the culture of 'confident disciples and leadership' which undergird every aspect of our strategy to be a Transforming Church.

Firstly, the on-going development of an accessible and robust discipleship resource, known as 'Way of Discipleship'.

Second the development of a foundational servant-leadership journey known as 'Way of Servant-Leadership', delivered through Pathways.

Third, mentoring for Intentional Discipleship (MID) of 20 people in small groups every three to four weeks.

And lastly, engagement with the national church initiative 'Everyday Faith', through a team joining a national learning community with other dioceses.

The four 'Way of Discipleship' modules began in September with an initial online pilot. 13 facilitators trained and seven groups ran across CofE Birmingham, and with 60 participants in total. In 2021, it will be available on its own web platform and app.

The modules aim to create confidence, by emphasising change in lived experience. They offer a Trinitarian approach to transformation. The course resource can be used in whole, or in part, by anyone anywhere, making discipling others as easy and robust as possible.

One of the aims of MID groups is to encourage people, in their confidence of discipling others, so that groups are multiplied. Towards the end of 2020, three further groups started to take shape.

In 2021, two new MID groups have been proposed and in Autumn 2021, an 'Everyday Faith' learning community will begin, offering at least ten parishes opportunity to journey together through exploring culture that affirms everyone's ministry and giftings.



## Mission Apprentices

Our eight Mission Apprentices (MAs) did incredibly well in adapting to the new pandemic circumstances, and were able to share stories of God's grace and perseverance in their end of project reflection presentations. As well as blessing some of our parishes, they themselves have developed in their ministries and gifting.

We were deeply saddened to learn of the death of Sian Mehlmann, who had served with such grit and love at St Luke's Gas Street in a time of transition. We hold her family in our prayers with love.

The MA programme proves the incredible value of investing in individuals, and seeing how much God brings fruit into their lives. Our thanks to AllChurches Trust for supporting this project, and to Lizzie Gawen for her faithful and loving stewardship as its coordinator.



## Community Regeneration

In partnership with Thrive Together Birmingham (Thrive), the primary aim of the Community Regeneration team is to encourage and support people who are motivated by their faith to tackle poverty and build community. Our priority is to see Anglican churches playing their part in helping their neighbourhoods to flourish and doing so in collaboration with other faith communities and people of good will and common values.

We are part of a wider movement of people in Birmingham and the wider West Midlands who are motivated to make a difference in their neighbourhoods, communities and the lives of people who are marginalised.

Despite the challenges that have faced the whole country as a result of the COVID-19 pandemic, we have been able to stay connected and active.

2020 began with an opportunity to celebrate!

### Places of Welcome

The Places of Welcome movement began in Birmingham in 2014 with 70 opened in the city prior to the pandemic and around 400 across the country. The national network is now supported by Church Urban Fund and Thrive continues to employ a Development Worker to support and develop Places of Welcome around the West Midlands. In February 2020, we were able to hold an event to celebrate the 5th Anniversary with groups from across Birmingham, Solihull and Sandwell gathered at St. Martin's in the Bullring to share the launch of an art installation to which their groups had contributed. Sadly, COVID-19 meant that Places of Welcome had to close although some groups were able to stay connected via social media.

### Rising to the challenges of COVID-19

During the COVID-19 lockdown, the team supported a number of churches in using their resources to respond to the challenges of the pandemic particularly providing emergency food in their local communities. We worked in partnership with other Third Sector organisations to try to ensure that the needs of people across Birmingham and the wider diocese were addressed through local and centralised provision.



Through these connections, we identified a significant shortage of available food and so set up the Feed Birmingham

campaign in partnership with the Edgbaston Foundation, Edgbaston Cricket Ground and West Midlands Police. Over four months we ran weekly public collections of food, baby supplies, cleaning materials and toiletries which were then distributed to 24 neighbourhood-based organisations who were running emergency support provision. An appeal and online donation campaign was set up to receive financial donations with all money raised going to food provision.



In the autumn, we were asked to repeat this model to collect toys for children whose parents could not afford to buy gifts. Working with the Edgbaston Foundation and Birmingham PlayCare Network, we set up the Toys4Birmingham campaign and organised three collection days at Edgbaston Cricket Ground receiving over 16,500 new toys and books from the public. Donations were distributed to 53 frontline groups across Birmingham, including Children's Centres, who were offering direct support to families.

Throughout the year most of the community activities that Thrive supports and encourages were forced to cease. Instead of furloughing our staff, roles changed so they could engage in the activity previously described but also to ensure contacts were maintained with activity leaders and their networks. As a result, in the autumn, colleagues saw the need to set up a Community Restart programme bringing practitioners together online to share their Covid experiences, their hopes and anxieties, and to explore practicalities for re-opening activities. The Thrive team had real concerns that much of the pre-COVID-19 volunteer-led activity might not restart in 2021. From the initial sharing sessions, Thrive staff have gone on to develop a programme of training covering COVID-19 advice updates for safely operating groups, COVID-19 Money Advice, mental health and wellbeing and Mental Health awareness.

### 'Body, Mind and Spirit Partnership'

Thrive manages the Body, Mind and Spirit Partnership (BMSP) which is a collaboration of 13 churches and Christian projects funded by a grant from Birmingham City Council to employ Development Workers to provide preventative activities for older people to enable them to live independently in their local communities. Together, the partners facilitate activities for around 2,000 older people in neighbourhoods around Birmingham. Despite COVID-19 curtailing regular gatherings for activity, the Development Workers have risen to the challenge of staying connected to older people to try to alleviate an even greater threat of loneliness and isolation. They have been innovative in their approach developing new telephone contact, connectivity through ICT and creating and delivering art activity packs. Thrive has played a key role in co-ordination, training, skills and idea sharing and developing innovative approaches through ICT in order to overcome COVID-19 restrictions.

A new partnership has been developed with Linking Lives, a national charity specialising in providing connection to older people through telephone support. Through support from the National Lottery, a pilot has been run to encourage churches to develop telephone support services.

Funding has also been secured for a pilot programme to explore how to develop ICT skills with older people with no previous experience of using computers.



### Near Neighbours

Funding from the government through the Ministry of Housing, Communities and Local Government has enabled us to sustain our Near Neighbours work bringing people with different backgrounds together to build friendships and community connections. Despite COVID-19 restrictions, our Development Worker has delivered another small grants programme which has supported new groups to develop activities in their local neighbourhoods. Sadly the usual events bringing people from different backgrounds together for learning and celebration had to be cancelled although some online events were held to retain connection and share COVID-19 experiences.

### Your Local Pantry

Thrive is partnering with Church Action on Poverty (CAP) to employ a Development Worker to develop the Your Local Pantry model in the West Midlands. Your Local Pantry is a community food membership scheme run on a franchise basis by volunteers for the benefit of their local communities. Rather than providing emergency food as a Food Bank would, they focus on the security of a weekly affordable food offer at a reduced price with some choice of staple food items. They aim to help people make their money go further by reducing food shopping bills, providing advice and support, and developing volunteers. By the end of 2020, nine Food Pantries were open in Sandwell, Birmingham and the Black Country with nine more in the pipeline planning to open in 2021. As a result of this success and growing interest, plans are being put in place by CAP to extend the partnership with Thrive with funding for a further two years.

### Safe Spaces for Young People

Recognising the lack of support and meeting places for many young people in Birmingham, Thrive continues to collaborate with Christian youth work organisations in Birmingham to encourage churches and Christian organisations to set up Safe Spaces for young people in neighbourhoods around the city. In effect, these are Places of Welcome specifically for young people hosted by Christian youth workers and volunteers. By March 2020, a network of 85 neighbourhood-based Safe Spaces was operating across Birmingham supporting over 2,000 young people a week and involving over 300 volunteers. Support was provided by a part-time Safe Spaces Co-ordinator contracted through Thrive.

With the onset of COVID-19, most groups had to close but youth workers were keen to retain contact with young people and support them through the multiple challenges caused by the pandemic. Thrive secured funding from the Heart of England Foundation 'Doing Things Differently Fund' to develop a programme of support which included an advice and support line for Safe Space partners and youth workers providing up to date information and guidance around COVID-19 restrictions, commissioned youth workers to offer support and coaching particularly around developing detached youth work and delivery of a range of online support/idea sharing/networking sessions to support youth workers to feel less isolated and to share ideas and good practice in potential new ways of working.





PARISH HIGHLIGHT: Transforming Outreach



Ascension, Stirchley

Inspired by two other local churches, in 2019 a number of people connected to Ascension Stirchley knitted a nativity scene for our new Stay and Play, Little Pineapples. In 2020, we created a 'Knitivity Trail' with the figures, on the windowsills of seven local homes. On Christmas Eve, the figures journeyed to the crib, brought to a 20 minute outdoor 'crib' service, at the front of the Church of the Ascension. A large number of families came, suitably distanced, of course, including some of those who had played with the figures at Little Pineapples, and many who have never been to a service before.

Estates



Due to the pandemic, all of our engagement in 2020 has been online. We continued with some morning meetings via Zoom with urban-based colleagues, and enabled the NECN conference to go ahead in July under the banner of Claiming our Place: Local Leadership in Estates Churches. The number and nature of our gatherings tried to hold a balance between nurturing colleagues and not overwhelming them.

Andy Delmege stepped down from his enabler role to take up the post of Canon Missioner at the Cathedral. We are very grateful to Andy and to God for all his work in helping to build fruitful and forward-looking ministry across Birmingham over many years, and for the links he has been able to provide between national and regional networks.



PARISH HIGHLIGHT: Transforming Worship



Shirley Parish

Before lockdown, the celebration of the Eucharist was the main focus for worship, but we have become familiar with Morning Worship on Sundays, midweek Bible reflections, and monthly Reflective Worship – all available on YouTube, on the phone and off the page. We've built a pastoral care network to look out for everyone, share news and pick up any concerns.

Zoom has hosted our weekly prayer meetings and social events – coffee mornings, bingo afternoons, Summer and Christmas Fairs. Zoom Tea and Toast has helped us to maintain some personal contact with Messy Church at Home families. We have even had a couple of online Healing services.

Many of the changes have become integral to church life and will remain with us. We are currently planning ahead, confident that we are now in a much better position to witness to the gospel in a world that is changing.

COMMUNITY

World Community: Bolivia Link

As in all relationships across the world, the COVID-19 pandemic has substantially affected the link we have with Bolivia. Any exchange of visits has of course been impossible. Providentially though, our level of communication with our Bolivian brothers and sisters has in some significant ways increased. An outstanding Zoom conference brought together members of our Bolivia task group with clergy and lay leaders in Santa Cruz, La Paz, Cochabamba and Tarija. Even with differences in language there was a very free sharing of news and joining in prayer. This exchange has prompted more frequent 'Zooms' with individual churches in Bolivia and our congregations active in this partnership.

A matter of deep concern has been the impact in Bolivia of COVID-19 upon the poorest people, and indeed how it has affected the financial support church members have been able to provide for their pastors. From Birmingham, money gifts have been sent both to help in the financial support for the clergy, and for the congregations in their provision of food for people in desperate need. In the accompanying picture help is being given by the Revd David Antezana to young and old members of the local community in La Paz.

Along with other priorities, leadership training remains vitally important. Bishop Raphael Samuel has delegated to two of his ordained colleagues, Walter Toro and David Antezana, responsibility in this area. A new programme of training begins in March 2021, and through Zoom we are being invited to contribute to it.



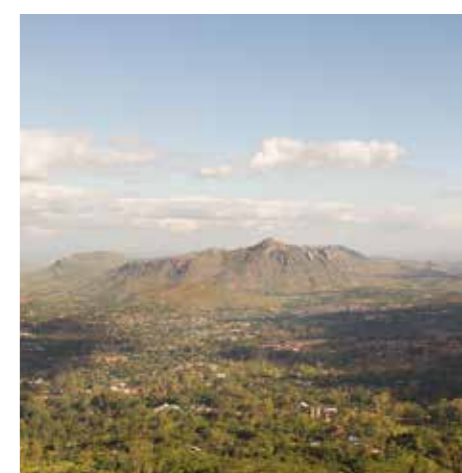
World Community: Malawi Partnership

Last October we reported that COVID-19 as a health issue had not affected Malawi to any very significant extent. At that time, official statistics suggested fewer than 200 people had died. Just before Christmas that began to change and, through January and early February, the South African variant caused a major spike in cases. Schools were shut and other restrictions imposed. However, the news is that these measures have stabilised the situation once more. The present official death toll is now 1,100 -1,200 and officially death figures average 4-5 per day – not good and almost certainly an under-estimate but, compared to Europe and the Americas, the situation is very encouraging indeed.

Nevertheless, schools shutting in 2020 led to many girls becoming pregnant and not returning to their education. So, although schools have now returned in Malawi, the January/February break is likely to have led to a further reduction in the number of girls in education. As it is, only 8% of children complete secondary school and most are boys. COVID-19 will have reduced these numbers still further.

In addition, because of COVID-19, by the end of 2020 even more Malawians than usual were facing financial hardship and food poverty. It is too early for statistics but this year's restrictions will have impacted still further on the economy and on the state of people's lives.

A huge thank you to every person and every parish that responded to last October's update. Through November and December the congregations of Birmingham gave more than £27,000 for Malawi – given our own COVID-19 challenges a very impressive figure. As a result we were able to support the church and its ministry significantly more than we had anticipated - as well as supporting church schools in becoming more COVID-19 secure.



PARISH HIGHLIGHT:  
**Transforming Presence**



### St Michael's, Baddesley Clinton

In 2020, St Michael's again achieved Carbon 'net zero'. We include emissions arising from car travel by the congregation coming to church and all who make the church function, including tradespeople, as well as paper consumption etc. We made a payment of £40 (1.5 rounded up to 2T @ £20/T) to Climate Stewards, an organisation who will apply this money to projects certified to reduce Carbon emissions.

## Eco

### Net Zero

Following on from the Birmingham Diocesan Synod in November 2019 setting a target for all parts of the diocese to achieve net zero emissions by 2030, in February 2020 similar targets were set by the General Synod for the whole CofE. As a national clarification as to the scope of net zero was completed, a CofE Birmingham Environmental Board was established to oversee environmental projects, including the project to deliver net zero emissions. The Board, chaired by Bishop David, includes senior staff representing all parts of the diocese. It met for the first time in June 2020 and subsequently twice a year. The Board has established a working group (NZEG - Net Zero Environment Group) made up of diocesan staff and volunteers under the leadership of Daniel Mayes, Property Director. Links to the parishes will mirror the People & Places framework and be nurtured through environmental champions at deanery level. Most of the diocesan carbon footprint is in parishes and schools, which are not directly managed by CofEB. A communications plan has been developed to encourage and facilitate churches and schools in working towards net-zero.

### Energy Footprint Tool

An immediate priority for the net zero project is to calculate a baseline carbon footprint for the CofEB against which progress towards net zero can be measured. In 2020, all churches were encouraged to submit their 2019 energy consumption data via the national Energy Footprinting Tool accessed via the 'Parish Returns' website. Almost half of the churches in our diocese took part, and this can be built upon in future years.

### Eco Church

In December 2019, CofEB was close to Eco Diocese silver accreditation. A Rocha UK then spent 2020 reviewing the criteria for silver, and in February 2021 published revised criteria, which are far more demanding. CofEB will continue to work towards the silver award but will need more parishes to engage with Eco Church through progress has been made even through lockdown. 62 churches have now registered, 22 have gained bronze award and six have gained silver. Those churches gaining bronze in 2020 are St Mary, Lapworth, The Church of the Ascension, Stirchley, St James the Great, Shirley, St Laurence, Northfield, St Nicholas, Kings Norton, St Andrew, Chelmsley Wood, Holy Trinity, Sutton Coldfield, St Francis Bournville and St Andrew, Barnt Green. Those gaining silver are St Mary, Wythall, St Mary Magdalene, Tanworth in Arden, St Christopher, Springfield and St George, Edgbaston.

### Aims

The diocese will continue working towards net zero by 2030 with renewed emphasis on the Energy Footprinting Tool, Eco Church and Eco Diocese. Churches will be encouraged to prepare for the UN COP26 conference (Glasgow, November 2021) by holding a 'Climate Sunday' themed service before 5th September 2021.



## The Diocesan Advisory Committee for the Care of Churches (DAC)

The Diocesan Advisory Committee for the Care of Churches (DAC) provides advice to the Diocesan Chancellor and the Archdeacons on the effective stewardship and development of church buildings; church architecture, archaeology, art and history; conserving historic fabric and furnishings; and liturgy and worship, while giving due regard to the mission and worship needs of parishes and congregations.

The DAC is constituted by experienced specialists, appointed by the Bishop's Council, who provide a senior consultant level of advice on a voluntary basis. It also includes the Archdeacons, two members of the Diocesan Synod and nominees from Historic England, the National Amenity Societies and a Local Government Association, giving each parish access to a very wide range of experience and input.

### Highlights of the year

In 2020, the Diocesan Chancellor granted faculty permission for 48 applications for works to church buildings, while 34 projects were given permission by the Archdeacons under List B. The DAC was involved in:

- 118 separate cases that covered everything from the installation of a protective screen to a historic wall painting to the relandscaping of a churchyard;
- Nine projects to reorder church spaces (of a wide variety of scales and at a full range of stages, from the formulation of initial ideas to approaching final completion) and develop the buildings as significant centres of worship, mission and community engagement. This included major projects at St Peter & St Paul, Colehill and St Cyprian, Hay Mills;
- a wide range of everyday yet vital repair and improvement projects at churches, such as installing new heating systems, introducing new lighting, carrying out general building repairs and managing churchyard trees.
- a variety of projects focusing on reducing energy usage and associated carbon emissions from church buildings through the installation of more efficient heating and lighting systems, use of renewable energy, improved maintenance and draughtproofing.

PARISH HIGHLIGHT:  
**Transforming Presence**



### Holy Cross, Billesley Common

While we were still getting used to being 'locked down', we thought that we could mark the 75th Anniversary of VE Day with art across the railings outside the church and community centre.

We asked schools and Scouts and our local community to get involved and we had a really positive response, receiving contributions from Billesley Primary School, Swanshurst Girls School, The 325th Birmingham 1st Billesley Scout Group and local families.

It certainly helped to unite us as a community, when relationships were challenged through the pandemic. We were delighted to have such wonderful pictures to display. It really brightened up the road. We encouraged folk to come to the exhibition while on their daily walk by advertising the art work via the church Facebook, which we had begun to use more often and to focus on this as our main point of communication into the community.

*"As we were putting the art work up yesterday evening (maintaining social distancing) we created a lot of interest from passing cars, exercisers and dog walkers. We hope this continues over today and the weekend. Come and see!"*





## Planting, Revitalising and Training



Recently, we were asked, 'how do you plant churches in a pandemic?' The answer, we gave was... "Differently". We have had to think differently in the New Christian Communities department this year and with God's help we have managed to start some superb initiatives that stick closely to our Transforming Church vision of Growing Churches at the heart of each community.

### Planting

Incredibly, we have managed to start two new church plants in 2020. St Andrew's Chelmsley Wood is home to our Pioneer Minister, The Revd Andi Thomas and we asked Andi how he has developed his church planting work during the Pandemic.

He responded by giving a snapshot of his ministry which this year has included: launching 'church on the wood' with approximately 25-30 people attending online; starting a baby bank in partnership with another local church; supporting local schools through assemblies; and ministering to several families who have experienced relationship breakdown.

Living close to Andi is Ricky Sandiford, a former Mission Apprentice who felt called by God to start a new church in his local area of Smithswood. Ricky is a lay church planter and works part-time to support his ministry. He was encouraged by his sending church, St Clements Castle Bromwich, and their Vicar, Stuart Carter, to

### PARISH HIGHLIGHT: Transforming Relationships

#### Holy Trinity, Smethwick

*"This year for me personally has seen the renewed sense of the place of the Church of England and its critical role as leader or facilitator when it comes to civic, health and interfaith issues. Add to that a grey beard and grey hair and the respect one is held in is humbling. The Church of England has more to offer than we sometimes think."*

*Over 2020 we saw the release of new ministries in the church and the re-launch of BCP Evening Prayer on Zoom! Six people have together made probably thousands of telephone calls binding the congregation together, being a vital conduit for prayer and pastoral ministry. The Hope Tree outside church was created, a building was sold, proceeds invested and the re-development of the inside of Holy Trinity was taken forward.*

*What stopped in 2020 at Holy Trinity Smethwick? Actual meeting together. What continued... the life and ministry of every part of Holy Trinity... looking forward, working hopefully and trusting ever more closely that Jesus never leaves or forsakes, God through the Holy Spirit is always at work to create new demonstrations of love and mercy and service."*

On behalf of the people of the Parish of The Resurrection, Smethwick, Revd David Gould



expand into an unchurched part of the parish. Ricky, along with a core team of four, has run a men's discipleship group, helped residents with shopping needs, and led bible studies in the park. He also has links with Birmingham City Football Club and has plans to run coaching clubs on the estate when restrictions allow.

### Revitalising

This year has also seen the launch of a church revitalisation project - St Mary's Pype Hayes. The church has been faithful to the community it has served for many years and was open to reimagining what ministry might be for the next season. After prayer and conversation, the wonderful folk at St Mary's were happy to engage in a revitalisation process. As a result, they have welcomed The Revd Trevor Meardon and his family to become a church planting incumbent. Pype Hayes is in the eastern district of Erdington and has undergone significant regeneration over recent years. It has a large residential population that includes many young families in the area. Trevor is working with the existing congregation to reach out to this emerging community. This project is being supported by Gas Street Church.

### Training

We recognise the importance of training for effective leadership and were delighted that both Andi and Ricky were able to join the Church Planting Course that was held online by the Gregory Centre for Church Multiplication. The training course is an initiative led by the Bishop of Islington and gives a comprehensive overview of church planting. Moreover, in June, we were encouraged that at least ten CofEB representatives attended the online church plant conference, Multiply X and were able to benefit from the wide variety of conference speakers.

### 2021 Priorities

Plans for 2021 will be focused on supporting the development of New Christian Communities across our six new deaneries under the People & Places framework. We will be working closely with our new Area Deans and deanery project teams to identify new opportunities for ministry. We will encourage and support our churches to consider how they can engage in New Christian Communities, perhaps by starting a fresh expression as these are often feasible, manageable projects that could help kickstart new ministry after the pandemic eases. Another area of ministry we are exploring is related to sport. There are lots of people who are keen sports participants who are not part of any Christian community. Might it be that sport can be a channel for reaching out to new people? We will also continue developing church plants into strategic locations as well as supporting revitalisation projects where appropriate across CofEB. We also have an exciting project with the Church Army which is developing a centre of mission in the parish of St Michael and St John, Langley, a large urban area of circa 17,000 people in the Black Country.



### PARISH HIGHLIGHT: Transforming Outreach



#### Hope on Smith's Wood

The Hope on Smith's Wood new church plant has been busy establishing itself as a presence in the community through lots of missional activity over its first three months.

They hosted a free football coaching club for young people, supplying free lunches to the 19 children who attended and BCFC supplied the coaching!

There was also an excellent Christmas Toy Drive teaming up with local schools family support worker and with social services to identify and bless as many families.

This new church has also initiated or supported with the following missional activities:

- Giving out 21 gift packs for elderly or isolated people.
- Delivering 13 emergency food parcels over the Christmas week.
- Posting 160 Christmas Cards.

Great connections have been made with St Clements Church, the Kingfisher food bank and Warwickshire rotary club who's support have been significant.

We are really celebrating how, even under these restrictions, they have come together in the community with lots of new projects and prayerful support of one another. We believe great seeds of love and community have been sown and the church are excited at being able to meet together in person soon.

## Diocesan Board of Education (DBE)

As the Birmingham Diocesan Board of Education, we link our key priorities for the three years of the board into the wider diocesan strategy, mindful of the responsibilities that are bestowed on to us through the statutory 'Education Measure 1991'. The key priorities for the DBE, as outlined in our business plan are:

1. Support schools to have a strong identity in terms of Christian roots and values
2. Ensure the DBE is effective and relevant to its schools and to the wider Birmingham Church of England
3. Support schools to be inclusive in their admissions and provision
4. Support schools to be SIAMS/Ofsted good or better because they have secure leadership and good teaching
5. Support and develop DBE Structural Strategy re Academies and MATs.

We have an ongoing regular cycle of events to deliver our goals, which include conferences and training programmes. These have become increasingly popular and provide additional income to the budget. In addition, the board develops specific pieces of guidance and position statements on related matters. In 2020, the board produced a piece articulating the contribution Church schools make to the wider Church of England mission; recognising that 18,000 young people attend a daily act of Collective Worship, and through their time attending a Church of England school come to understand who the person of Jesus is.

Church schools have a requirement to deliver education through a theologically based vision. We have developed guidance for our foundation governors on the skills and characteristics a Church School leader might need, to be able to deliver this, as well as providing individual support for schools as they reflect and relaunch their vision statements.

We have celebrated the commitment of our school teams during these last months. During our Senior Leader Conference in early March 2020, we challenged our leaders to be the person who 'stands in the gap' (Ezekiel 22:30). Who knew what this would mean in the pandemic months that have followed. Our school leaders have truly been a source of consistency and support for their communities. This time has been challenging for many, including our own team as we have moved our work to virtual support. The team of officers have embraced the challenge, and we remain close to all our schools.

### 2021 priorities

- To meet the KPIs identified in the three year business plan.
- Develop our equalities work, with particular focus on Black and Minority ethnic and LGBT+ matters.
- Plan for supporting our schools to achieve the Carbon Zero target of 2030
- To open our brand new secondary school: Christ Church, Church of England Secondary Academy.
- In light of the expected revision to the 'Measure legislation,' the review of the DBE and the need to reconstitute, we will be reviewing our ways of working and core purposes.



\*The narrative on the activities are shown here to give an overview of all Diocesan activities. However the financial information of these entities is not included in the BDBF financial statements.

## Chaplains

During COVID-19, our Workplace Chaplains were alongside Bus Drivers carrying on their daily work; Council Social Workers trying to resolve elderly care needs while working from home with family; staff at Birmingham Airport as jobs were being cut; Retailers coming back to the High Street but wondering what the future holds. Our places of work are holy ground.

Workplace Chaplaincy CIGB grew out of the economic crises of the 1970s and 80s. Over 40 years later, the quality of our 60 Chaplains means that we are a trusted soul-friend to businesses. As an Ecumenical charity, we were honoured that Church of England Birmingham continued to invest in this mission into 24-7 faithful living, reflecting the national vision that sees Chaplaincy as a Christ-centred, Jesus-shaped arm of God's Church. While we keenly felt the disruptions to our usual

visiting chaplaincy pattern because of COVID-19, we created new channels of engagement and encountered growing desire to reflect on profound needs.

### Highlights:

- At Birmingham City Council, the Chaplaincy expand their online support for social workers, teachers and administrators. Chaplains set up Daily Mindfulness Meditations, 1-1 calls and creative Chaplaincy Resources for spiritual wellbeing
- We set up new ecumenical team worship meetings, to bless our dispersed chaplains in prayer and to hold before God the hard times in our workplaces, hospitals and society.
- The work of one of our volunteers in a local supermarket, and her faith understanding in that context, was the central reflection in the national 'From

Field to Fork' Harvest Worship from the Church of England. She spoke alongside farm workers and lorry drivers about the significance of food supplies.

### 2021 Priorities

- To launch our Job Clubs across Birmingham and Solihull combining job hunting with emotional support: 'Chaplaincy to the Unemployed'. We are working with Jericho Ignition and grant funders to help partner churches respond to unemployment in their local community.
- To build on the deeper Chaplaincy relationships and higher priority within businesses for staff wellbeing, with new volunteer Chaplains and refreshed engagement.
- To restructure our core staff to respond to church funding reductions.



## Birmingham Cathedral

**Birmingham Cathedral is a house of prayer and the seat of the Bishop of Birmingham.**

**Built in 1715, it is Grade 1 listed and one of the oldest buildings in the city still used for its original purpose.**

2020 saw a change to our regular rhythm of worship. With the doors closing for part of the year, the cathedral continued to 'Pray. Serve. Grow.' digitally and later with social distance restrictions in place.

Highlights included:

- First project stage support from The National Lottery Heritage Fund was agreed for the cathedral's 'Divine Beauty Project' to conserve and interpret windows designed by Pre-Raphaelite artist Edward Burne-Jones
- The cathedral joined with other churches across the city to lead in prayer for wholeness and healing for #pray24brum
- Charles Francis joined the Music Department as Organ Scholar for 2020/21
- A Lent reflection area 'We are Pilgrims' was installed inside the cathedral including a pod carved from wood
- Daffodil crosses budded in Cathedral

Square for the fifth year since school children planted bulbs 'Growing Younger'

- Bishop David, Dean Matt and the clergy team began to celebrate the Eucharist behind closed doors and offered up prayers for our city, region, nation and world via 407 services that were streamed or pre-recorded via the cathedral's YouTube channel. Online services ran daily and included Holy Week and Easter, Pentecost and Corpus Christi



- A series of storytime films were launched featuring Canon Josephine, the cathedral's Canon Precentor

- We were pleased to install the Revd Canon Andy Delmege as our new Canon Missioner

- The cathedral doors reopened in July for private prayer and socially distanced, ticketed services. Members of the cathedral team attended peaceful protests in the city in support of #BlackLivesMatter

- The Big Sleepout with St Basils went ahead with a twist. Participants were

asked to sleep in their back gardens

- The Music Department released a selection of choral settings of texts to comfort during the COVID-19 pandemic
- Deacons and Priests were welcomed into ministerial life with socially distanced ordination services
- In October a Walk of Witness organised by the Deanery of Handsworth and Central, highlighting and addressing issues of racism and discrimination in the church and wider community. Social distanced participants from representing our diocese converged at the Cathedral



## Supporting the mission

The Church of England Birmingham through the Birmingham Diocesan Board of Finance (BDBF) aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Birmingham diocese and elsewhere. This includes the provision of facilities for public worship, pastoral care and spiritual, moral and intellectual development, together with the promotion of Christian values and services by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

In this, the BDBF acts as the financial executive for the Diocesan Synod in the administration of The Church of England Birmingham's interests.

The BDBF helps to facilitate the pursuit of our Ten Diocesan Goals by its ongoing objective to maintain a sound financial structure that resources the needs determined by Diocesan Synod and informed by local and national church institutions. This financial structure includes supporting clergy through the payment of stipends, managing parsonages and other ministerial houses, and also by providing other facilities and resources in the support of the ministry of both clergy and lay people in parishes across the diocese.

## Constitution

The BDBF is established under the Diocesan Boards of Finance Measure 1925. It is a company limited by guarantee and subject to its own Memorandum and Articles of Association. The BDBF is also a registered charity.

The BDBF is constituted as the financial executive of the Diocesan Synod, each member of which is also a member of the BDBF. Trustees are appointed by the members on a triennial basis. The BDBF acts as the Parsonages Board and the Diocesan Mission and Pastoral Committee for the purposes of ecclesiastical legislation.

The BDBF, which meets four times each year, is the principal policy making body. It takes advice from its Board of Trustee Directors, constituted as the Bishop's Council, which examines issues in detail and makes recommendations. The Council also takes executive action in certain matters and deals with day-to-day issues. The membership of the Bishop's Council is contained on page 3 of this report.

**Delegation of day-to-day delivery** The Trustees and the sub-committees which assist them in the fulfilment of their responsibilities, rely upon the Diocesan Secretary and colleagues for the delivery of the day-to-day activities of the company. The Diocesan Secretary is given specific and general delegated authority to deliver the business of the BDBF in accordance with the policies framed by the Trustees. The Diocesan Secretary and key staff during 2019 were:

**Dr Jan Smart** . . . . . Diocesan Secretary  
**Ms Melanie Crooks (to 30 April 2020)** . . . . . Director of Finance  
**Miss Karen Preece (from 1 May 2020)** . . . . . Director of Finance  
**Mrs Sarah Smith** . . . . . Director of Education  
**Mr Daniel Mayes** . . . . . Property Director

## Recruitment and training of trustees

Trustees are recruited through a mixture of ex-officio positions, elections and nominations. Elections take place every three years at the first meeting of the new Diocesan Synod (itself elected every three years). The trustees have the power to co-opt members according to their assessment of the needs of the BDBF in terms of required skills and experience.

Induction for new trustees consists of a one-day course designed to ensure that all trustees are familiar with the BDBF's governing document and its aims and objectives. They are also given relevant literature which explains the role and obligations associated with their role as a director and trustee of the BDBF. Trustees then

receive ongoing training as appropriate. This training is tailored to the individual needs of the trustees and may include introductions to church, company and charity law, an overview of current programmes and plans of the diocese and an introduction to any special areas with which they will be working such as the Board of Education. Trustees are encouraged to visit Diocesan operations.

All trustees are required to maintain their entry in the register of declarations of interests.

Some senior staff have job titles incorporating the title 'Director' but they are not directors of the company (for the purposes of company law) and therefore are not 'charity trustees'.

## Charity Governance Code

The BDBF welcomes the 'Charity Governance Code' and is working on its application. The trustees had intended to undertake a 'self-audit' review during 2020 to be overseen by the Finance, Investment and Property Subcommittee. Covid-19 has delayed this review and it is now expected to be completed in 2021.

## Management structure

The BDBF is assisted in its work during the year by a number of committees:

**Board of Education** The Diocesan Board of Education is a statutory body whose financial responsibilities are reported as part of the BDBF. The Board is also responsible for the Diocesan Church Schools' Fund (restricted fund).

**Finance, Investment and Property Subcommittee (FIPS)** Acts in all finance matters, including audit, remuneration of BDBF staff, the management of BDBF investment property and fiscal investments and parsonage maintenance issues, and makes recommendations to Bishop's Council.

**Transforming Church Roundtable** Aims to facilitate multi-disciplinary focus and working on strategic mission initiatives in line with our Transforming Church goals. This is delivered through proactive working groups who are accountable for Progress, Issues and Plans (PIPs) in specific strategic areas.

## Other organisations with which the BDBF co-operates in achieving its objectives

Within the ministry of The Church of England Birmingham, the BDBF plays an important role in co-operation with other persons and charities which form part of the Church. Under the oversight of the Bishop of Birmingham, who shares the cure of souls with clergy and lay workers across the diocese, the day by day responsibility for the funding of clergy stipend costs, providing clergy housing, training clergy and other diocesan costs falls to the BDBF. Some of these clergy are trustees of the BDBF and they are listed on page 3.

The BDBF has important relationships with the national institutions of the Church of England, specifically:

**The Archbishops' Council** to which it pays grants based on an apportionment system for funding national training of ordinands and the activities of the various national boards and councils, as well as General Synod.

**The Church Commissioners** from which the BDBF receives grants and which acts on behalf of clergy with HM Revenue and Customs. The BDBF pays clergy stipends through the Church Commissioners.

**The Church of England Pensions Board** which provides pensions for clergy and the BDBF's lay staff. It also offers schemes to provide housing for clergy in retirement.

At local level key relationships include:

**Parochial Church Councils (PCCs)** which are the main income source for the BDBF through the Common Fund system. PCCs are independent charities and operate under the Parochial Church Councils (Powers) Measure 1956. They are able to influence decision making within the BDBF and at Diocesan Synod level through representation to those bodies and through the input of their Deanery Synods.

**Church Urban Fund (CUF) Joint Venture** the Bishop of Birmingham, the BDBF and CUF are the founding members of a subsidiary of CUF, Thrive Together Birmingham. This is a company limited by guarantee with charitable status. The BDBF Director of Community Regeneration, an employee of BDBF, has oversight of the work of development workers who are employed by Thrive Together Birmingham.

**The Diocese of Birmingham Educational Trust** which is a charity set up in response to the challenge of a large number of Church of England Schools converting or otherwise becoming Church of England Academies under the Academies Act 2010. The charity operates as a sponsor or co-sponsor of Church of England Academies in the diocese as required and supports Academy Trusts to both fulfil their responsibilities and provide a challenge to governors in this regard.

**Birmingham Diocesan Multi Academy Trust** which is the Diocesan multi academy trust that was established during 2017. The six sponsored academies which were under the umbrella of The Diocese of Birmingham Educational Trust transferred to this multi-academy trust on 1 September 2017. The trust now has seventeen schools.

**Birmingham Cathedral** with whom there is now an established pattern of close collaborative working, including the sharing of offices and associated resources.

**St Martin's Trust** and other local trusts which generously provide financial support to the diocese's most economically deprived parishes.

**Other Christian Denominations** with and through whom the BDBF resources matters of workplace chaplaincy and ecumenical relations, notably through Churches & Industry Group Birmingham, Churches Together Birmingham and Local Ecumenical Partnerships.

**Interfaith bodies**, such as The Feast, as part of our cross-community work to promote good interfaith relations.

**Birmingham Diocesan Trust (BDT)** which is the custodian trustee for properties and permanent endowments on behalf of parishes and schools. BDT is a separately registered charity.

## Volunteers

The Church of England Birmingham is dependent on the huge number of people involved in church activities both locally and at Diocesan level. We believe that the number of active volunteers (or volunteer hours) given to the mission and ministry of the church is a key indicator of the health of a church. The service provided to a community through church volunteering also has a significant impact on people's relationship to the church, particularly at times of crisis.

Within this, the BDBF greatly appreciates the considerable time given by all the committee members across the diocese in pursuit of the mission of The Church of England Birmingham.

Estimating the 'in-kind' value of volunteer time to the operations of the BDBF is particularly difficult to measure in a meaningful way. It is for this reason that no estimate of the value of this time has been included in the financial statements.

## Public benefit

The Church of England Birmingham through the BDBF reviews its work each year and considers outcomes and plans for the future. It takes account of the Charity Commission's general guidance on public benefit when reviewing its purpose and in considering how planned activities will meet that aim.

### How our activities deliver public benefit

Our main activities aim to deliver public benefit in the following ways:

- **Clergy** Providing parish and other clergy to offer Christian services and spiritual oversight
- **Parochial Church Councils** Assisting PCCs to provide churches, sacred spaces and worship services
- **Parish Mission** Assisting parishes particularly through the *Transforming Church* strategy and the *Growing Younger* initiative
- **Education** Contributing to the spiritual and moral education of children and young people in over 50 church schools
- **Social action** Contributing to and assisting in social action in parishes and elsewhere, such as food banks and night shelters
- **Training** Providing training and assistance in order that parishes have clergy and volunteers who are competent, for example, to assist clergy in providing Christian services, visiting the sick, and comforting the bereaved
- **Grants** Making grants to enable the national church institutions to function and have a positive wider influence
- **World Mission** In part through links with the Anglican dioceses in Malawi and Bolivia

### Who benefits from our services?

We aim to make our services open to as wide a section of the public as possible. For example:

- Everywhere in the diocese is part of a Church of England parish that has a member of clergy who has concern for the spiritual welfare of the individuals who reside in it
- Parishes in wealthier areas generally contribute somewhat more than the cost of their clergy in order that clergy can also be provided in less wealthy areas
- Training courses are offered at reduced or no cost where appropriate, in order that ability to pay is not a barrier to participation

## Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". The BDBF does not undertake fundraising from the general public but from time to time does apply for grant funding from grant-awarding charities. Any such amounts receivable are presented in the financial statements as 'voluntary income' and include legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees. The BDBF is not bound by any undertaking to be bound by any regulatory scheme. The BDBF has received no complaints in relation to fundraising activities. Its terms of employment require staff to behave reasonably at all times; as the BDBF does not approach individuals for funds, contracts of employment do not particularise this requirement for fundraising activities nor does the BDBF consider it necessary to design specific procedures to monitor such activities.

## Financial overview of the year and response to COVID-19

In March 2020, the daily life of The Church of England Birmingham was changed beyond recognition as a result of the COVID-19 pandemic. The doors of our churches were closed and services in many instances became virtual. Our pastoral support was and still is being delivered at a safe social distance and key events in the life of the church, including Easter and Christmas, have looked very different.

This annual report looks to give a flavour of how The Church of England Birmingham family has responded to these challenges. Many have accepted new roles and direction to support those that are in need as a result of the pandemic. However, there has been a significant financial impact on our own resources as a direct result of church doors being closed. Throughout this report, there is much detail explaining this both in relation to 2020 and looking forward to 2021.

As a diocese our single largest source of income is parochial contributions – otherwise known as Common Fund. These funds are remitted to us by our parishes out of their income, which substantially comes from two key sources: voluntary giving and the rental of church halls and other property. Both income streams were badly hit by lockdown and this had (and continues to have) a substantial and direct impact on our collection of Common Fund.

We revisited our costs and our operating structures early in the pandemic in order to make financial savings. We took advantage of government assistance through the COVID-19 Job Retention Scheme and we have received support from the National Church through early payment of many already agreed grants and sustainability funding amounting to £1,000,000. This was gap funding for 2020 only and we are continuing to work hard to manage the shortfall in income that we expect to continue into 2021 and beyond.

We have worked closely with our parishes to support them where we can in order to maintain our Common Fund income as far as possible. However, we expect that this will be difficult to do for a much longer period than any of us could have imagined. Even after the doors of our church buildings eventually re-open, our parishes will need time to rebuild their financial resilience.

We have forecast a significant shortfall in our 2021 finances and the Board has already made some difficult decisions around potential changes to the utilisation of the Strategic Investment Fund that had previously been designated to support the next stages of our evolution through the various *Transforming Church* programmes. Work will continue to minimise this re-allocation of funds alongside the planned programme of property disposals, which aims to further increase this fund and replace any funds utilised over the next few years to ensure that the transformation programmes still deliver on our vision.

### Financial review

The 2020 headline income figure of £12,256,000 shows an overall increase in income of £15,000 compared to £12,241,000 in the prior year. However, if we remove the impact of significant gains on the disposal of redundant assets in 2020 (£315,000) and 2019 (£611,000), this gives us a greater real increase in income of £311,000. As is always the case, we need to dig deeper to understand the core underlying trends beneath the headlines.

Underpinning our day-to-day diocesan finances is our single largest source of income – parochial contributions or 'Common Fund' from our parishes. To complement the work, we are carrying out under the *People & Places* deployment framework, we implemented a new common fund methodology in 2019. Drawing inspiration from St Paul's writing of two communities that need to share, Common Fund is a powerful, practical application of God's generosity. The first gift is that of faith – this then inspires them to give to others who they don't really know but with whom they share the faith. In this spirit of generosity, we now ask our parishes to think about Common Fund

in four separate ways; two financial (reflected in a core financial contribution and exceptional gifts) and two in more practical ways (reflected in gifts in kind and partnerships).

The core financial contribution aspect of Common Fund now comprises a calculated Sum Requested based on a parish's ability to pay from their unrestricted income (based on the latest available parish annual statutory accounts) and a gift of intentional generosity towards others. The gift is prayerfully discerned by the parish. The total calculated initial Sum Requested for 2020 was £5,527,000 with initial pledged gifts of £494,000.

The world in which our parishes actually made their contributions was very different from the world in which they made their 2020 commitments because of the Covid-19 pandemic. The generosity of our parishes and congregations has been severely tested over the last year; church and church hall closures have resulted in significant falls in cash giving and income through church hall and other lettings. This had a direct impact on their ability to meet their commitments and many have dipped into their reserves to continue to meet their commitments.

In 2020, our parishes therefore contributed £4,333,000 towards the calculated Sum Requested (£1,194,000 less than their commitments) although they gave £517,000 in gifts. Against the Covid-19 backdrop, we recognise that this was an heroic commitment from our parishes and again we are immensely grateful for their continued support.

This does mean that the budgeted Common Fund target was not met for a fifth year running. This would have been against a backdrop of a 2% increase in the diocesan stipend rate (in line with the rise in the national minimum stipend), although we took the decision early in 2020 to defer this budgeted increase.

2019 was the start of a transitional journey for the new Common Fund methodology, alongside the *People & Places* framework – events in 2020 have meant that the journey will take longer as we move out of the pandemic and navigate the post-Covid-19 world.

Remitted statutory fees from occasional offices (such as weddings and funerals) experienced a further fall of 8.1% on the prior year. This was a decrease for the fifth year running but the outcome for this year reflects a sharp fall in the numbers of weddings, offset largely by a significant increase in funeral numbers – a direct consequence of the pandemic in both cases.

We have continued to proactively let empty parsonages during parish vacancies and increased our housing rental income by £53,000 year on year, but our investment income over the year has fallen by £69,000 mainly as a result of the pandemic.

The BDBF continues to receive significant support from the Church Commissioners in the form of Lowest Income Communities funding based on the Index of Multiple Deprivation for each parish. We received £1,948,000 of this funding in 2020 – this was £24,000 lower than in 2019. This funding reduces each year for the next eight years with no inflationary increases. We have accessed the last tranche of Strategic Restructuring funding (£35,000) from Church Commissioners this year for specific activities which has helped to cushion the financial result for the year. In addition, in 2020 Church Commissioners (through their Strategic Ministry Fund) has introduced a new stream of funding to support dioceses to train more curates than they would normally be able to afford – for Birmingham, the 2020 grant provided 90% of the cost of each of two additional curates.

We have continued to reap the financial benefits of Strategic Development and Capacity funding through a full twelve months of activity for the *Shaping the Future* programme and the *People & Places* framework contributing income of £1,155,000. However, these income sources are restricted in nature and can only be utilised for specific activities.

Our other restricted grant income to support resourcing and planting church initiatives along with mission apprentices, mission facilitators and our places of worship support officer role is £259,000 less than 2019 reflecting the end of some funded programmes. We are

immensely grateful to Church Commissioners, Allchurches Trust, The Jerusalem Trust, Historic England and the many individual donors who share our mission vision.

Our 2020 income this year has been boosted by a one-off Sustainability Grant from Church Commissioners of £1,000,000 (with the unused balance of the funding received of £837,000 carried over to 2021 as a designated reserve) to bridge the impact of the pandemic on our expected result for the year. In addition, we received £191,000 of Job Retention Scheme income from the Government to cover salary costs for staff furloughed during the pandemic.

In summary, our 2020 income has been severely impacted by the pandemic (both through lost common fund and other trading income) which has been partially offset by one-off income in the form of the Sustainability Grant and the Job Retention Scheme as well as a range of targeted cost savings.

The 2020 headline expenditure figure of £10,990,000 when compared to the prior year figure of £11,350,000 shows a decrease in expenditure of £360,000. As noted within our income commentary, we need to again dig deeper to understand the core underlying trends beneath the headlines.

As noted in our key financial indicators below, we have experienced again this year a higher than expected parish clergy vacancy rate, which had implications for our ministry costs. We also focused on containing expenditure in other core unrestricted areas to counterbalance the expected loss in Common Fund contributions as a result of the pandemic – this was achieved through the deferral of all planned maintenance and improvement works to our clergy housing as well as the budgeted 2% increase in clergy stipends and lay salaries. Outside of clergy costs, our main areas of investment expenditure have again been within our restricted grant income sourced *People & Places* framework and missional initiative programmes such as *Shaping the Future*, Church Planting, Allchurches Trust Mission Apprentices, together with restructuring and historical places of worship support. Our Mission Apprentices programme completed during the year.

On an overall funds basis, there is a surplus for the year of £1,266,000 (2019: £891,000 surplus) before considering unrealised losses on the year end revaluation of investments (£27,000), other recognised gains on disposal of £29,000 and a surplus on the revaluation of investment properties (£504,000) giving a net surplus for the year of £1,772,000.

The small decrease of £27,000 in the valuation of our investment portfolio year on year does not reflect the turbulence in worldwide stock markets over 2020 as a result of the pandemic and also Brexit. There have been no pension scheme actuarial valuations finalised during the year, which means that there has been limited adjustments to the financial statements in this financial year – a surplus of £10,000 compared with the 2019 surplus of £1,507,000 (arising from the actuarial valuation of the clergy pension scheme as at 31 December 2018). Both of these items are year-end financial statement adjustments which have no impact on the day-to-day running of and cash flows of the BDBF.

KEY PERFORMANCE INDICATOR	2020 ACTUAL	2020 BUDGET
Common Fund collection rate on sum requested amount %	80.0%	91.8%
Common Fund collection rate on pledged gifts amount %	100%	100%
Common Fund overall collection rate on budgeted amount %	89.1%	100%
Common Fund overall % rise year-on-year in cash terms	(12.2)%	(0.1)%
Parish clergy establishment posts	114	114
Parish clergy vacancy rate	16	10
Dividend yield on Smith & Williamson investment portfolio %	2.7%	3.8%
Dividend yield on CCLA investment portfolio %	3.8%	3.6%
Reserves policy met	No	No

Work has continued developing a five year and beyond, sustainable financial and organisation plan. This has been made especially difficult

as we seek to assess the longer-term impacts of the pandemic as outlined in our risk assessment. However, it continues to be informed by a broad review of the key factors impacting on the BDBF financial outcomes:

- Ministry deployment: ordained and lay, paid and unpaid, parochial and pioneer
- Parish finances, including Common Fund contributions and parochial fees
- Centrally organised parish support services
- A continually evolving buildings strategy
- Possible additional funding streams

### Balance Sheet position

The BDBF trustees consider that the balance sheet, together with details in note 20 to the financial statements show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets, given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £46,074,000 (2019: £44,292,000) it must be remembered that included in this total are properties, mostly in use for ministry whose value amounted to £23,701,000 (2019: £23,761,000). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the BDBF.

### Significant Property Transactions

During the year, we have completed the sale of the two redundant churches and related parsonages and church halls. Although it took much longer than we had anticipated to complete the sales, they delivered net proceeds of £942,000. Following the decision of Bishop's Council in 2019, the proceeds from these sales have been added to the Strategic Investment Fund, which is a fund designated by the BDBF for intentional strategic mission investment over the next five years. It is still intended that proceeds from significant unrestricted property development transactions will in this way continue to be reinvested in the mission and ministry of the BDBF, subject to the need for funds to maintain the operations of the BDBF as a result of the pandemic.

We also made progress on our long-term property estate development plan, which aims to:

- Replace unsuitable properties;
- Accommodate the changing geographical deployment of clergy within the diocese;
- Realise development potential in some properties thereby using our resources more effectively for the mission and ministry of the Church.

## Factors that may impact on future financial performance

There are a number of factors which can impact on the BDBF's ability to meet its objectives, but which are outside its control. Most important is the collection of the Common Fund from the parishes. Any significant shortfall in the amount collected could have implications for our mission objectives and deployment, as has been evidenced over 2020. The actions that have been taken this year such as the deferral of works to properties and the delay in recruitment of stipendiary clergy in particular would be repeated as a first action in the event of any significant shortfall in the collection of common fund in future years alongside steps to improve collection.

As is the case for all charities with historic endowment, the BDBF is vulnerable to changes in the value and returns upon its properties and stock market based (fiscal) investments. This is mitigated by employing specialist fund managers and advisers to help develop an appropriate investment policy.

As noted above, the BDBF receives significant support from the Church Commissioners and although we are one of the most

## STRATEGIC AND OPERATING REVIEW

economically deprived dioceses within the Church of England, the level of support based on economic need is reducing over the next ten years, with no inflationary uplifts. This brings into focus our business planning activities as we 'reimagine' the shape of mission and ministry for the next generation.

### Reserves Policy

Free reserves are maintained for the following purposes:

- To avoid bank borrowing if there is a temporary shortfall in income and/or surge in expenditure
- To provide for emergencies

The reserves policy of the BDBF is formulated in line with the recommendations of the Charity Commission of England and Wales. The basic policy statement is as follows:

*"The BDBF aims to maintain the equivalent of at least three months operating expenditure in cash and readily liquid assets in the general unrestricted fund. This excludes all designated funds and loans. The policy is to be reviewed on an annual basis"*

In arriving at the minimum amount, account has been taken of the Board's well-established effective income raising and budgeting process. Most income is now received in a steady stream throughout the year and performance against budget is monitored regularly. As at 31 December 2020, the reserves policy target is £2,551,000 representing three months unrestricted operating expenditure as budgeted for the forthcoming year. The trustees believe that such a reserves target will cushion the BDBF from short term revenue problems and will enable them to meet their legal requirements in case of serious financial problems.

The total unrestricted reserve stands at £9,821,000 and £6,173,000 for undesignated unrestricted reserves. However, the undesignated unrestricted reserve includes £5,548,000 of non readily realisable fixed assets, which leaves the BDBF with apparent free unrestricted reserves of £625,000, which would be below the target of £2,551,000 as at 31 December 2020. This is not considered to be a critical risk as there are designated funds which could be accessed if the need arises. Our 2021 budget already assumes that transfers of £1,259,000 will be required in order to balance the budget and Bishop's Council has formally approved that the necessary funds can be un-designated if and when they are required.

### Designated funds

The BDBF may with the approval of the board, designate unrestricted reserves to be retained for an agreed purpose where this is considered prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their destination is no longer considered adequate for their retention. A description of each reserve with the intended use of the reserve is set out in note 21. There are three significant designated funds, the first being the full provision for the payment of deficit contributions to the clergy and church workers pension schemes over the period to 31 December 2027. This amounts to £804,000 as at 31 December 2020. The second is the Strategic Investment Fund totalling £2,012,000 as at 31 December 2020, which has been created using the proceeds from unrestricted property disposals since 2019. The fund will be used for intentional strategic mission investments such as further implementation of context ministry and match funding for our Church Commissioners grant funded *Shaping the Future* and *People & Places* strategic programmes. However, as noted above, Bishop's Council approved a proposal in 2020 to un-designate such funds as are deemed necessary in order to deliver a balanced unrestricted outturn in light of the pandemic. The third is the Sustainability Grant of £837,000, which represents the balance of the funding received in 2020, which was not required to bridge the 2020 funding gap and has been held over for use under the same circumstances in 2021.

### Restricted and endowment funds

As set out in note 21 the BDBF holds and administers a number of

restricted and endowment funds. As at 31 December 2020 restricted funds totalled £7,157,000 (2019: £7,100,000) and endowment funds totalled £29,096,000 (2019: £28,769,000). Neither are available for the general purposes of the BDBF.

### Investment policy

The BDBF maintains a review of its investments through its FIPS sub-committee, which also monitors performance against market benchmarks and considers the adequacy of its investment mix.

The overarching investment principles embedded in our Statement of Investment Principles are as follows:

- Implement a balanced asset allocation approach to the portfolio with a medium risk profile
- Portfolio to be well diversified to provide an appropriate base for both long term capital and income growth
- Performance to be in excess of the APCIMS Balanced Index benchmark with specific income target as agreed with the trustee
- Performance at least 2% better than the Retail Price Index
- The Church of England Ethical Investment Forum guidelines will be complied with

The portfolio is managed in the following manner:

- Direct property investments managed by Bruton Knowles
- Marketable investments actively managed by Smith & Williamson
- Remaining funds within CCLA / CBF funds on a self-managed basis

Investment funds within certain restricted funds (Malawi / Church Schools / Bishop Brown) are held within CCLA funds selected on the basis of the income/capital needs of the respective fund as appropriate. The Covid-19 pandemic together with Brexit has meant that investment performance through 2020 has been very different from our expectations at the start of the year. We saw substantial turbulence in stock markets, although by the end of the financial year, our investment portfolio had broadly recovered back to our closing 2019 position. Unsurprisingly, investment performance on a total return basis over the last twelve months was only 3.2% compared with 18.1% in 2019, although this was still 1.3% higher than the performance of our benchmark portfolio. To put this in some context, the UK equities market was 13.2% down against 2019 – reflecting not only the turbulent year but also the UK weaker exposure in higher performing areas such as technology, which are better represented in the BDBF portfolio.

Investment management adviser performance for both direct property and marketable investments will continue to be robustly monitored in the forthcoming year. We plan to conduct a review of our published Statement of Investment Principles during 2021.

### Grant making policy

The BDBF has established its grant making policy to achieve its objectives for public benefit (as detailed on page 37). We deliver our public benefit to the wider population in the Diocese by the work of our parishes. We support this work by grant programmes that help parishes to further engage and service their local communities. This may be mission activities, community regeneration, church maintenance, schools and world mission. All grant applications must be made in writing. Parish mission and delivery plans and available resources are taken into account in the distribution of available grants.

## Remuneration of key management personnel

Emoluments of higher paid employees are determined by the Chair of the DBF with reference to regular appraisals, remuneration and salary benchmarking and consequent recommendation of changes.

### Principal risks and uncertainties

The trustees of the BDBF have overall responsibility for ensuring that the charitable company has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- An annual budget and five-year financial plan approved by the trustees
- Regular consideration of both financial results and other performance indicators
- Delegation of authority and segregation of duties

As part of this responsibility, the trustees are also required to ensure that effective and adequate risk management is in place to manage the major risks to which the BDBF is exposed. They have a clear mechanism for obtaining assurance on the management of risks.

The trustees agree the approach to risk including overseeing the process to identify and assess key risks and understanding how those risks are managed and mitigated.

To support the identification and evaluation of the BDBF's key risks, a risk assessment model has been developed which incorporates our activities towards the achievement of our strategic diocesan goals through the *Transforming Church* strategy alongside day to day operational activities. Risks are considered and presented as either Strategic or Operational risks within an active risk register. Strategic risks are significant risks that influence the achievement of the BDBF's strategic aims. These may include major internal risks, such as financial sustainability or compliance risks. Or they may be external events with high impact which the BDBF cannot control and for which the BDBF needs to develop response mechanisms. All strategic risks are mapped back to our ten *Transforming Church* goals and seven Areas of Transformation. During 2020, the trustees have spent a large proportion of their time in considering the new and significant strategic risks arising as a result of the Covid-19 pandemic. Principally this has involved the detailed assessment of the financial impacts on the sustainability of the BDBF as well as the impact of the changes in patterns of worship, engagement and mission arising from the closure of churches for much of the year. Operational risks are day-to-day risks and more likely to be internal, within the BDBF's control and with a higher level of probability of the risk event happening. The BDBF's focus of attention on these risks relates to how it can control, manage or transfer the risk to a third party.

Individual risks are then assessed using a scoring mechanism, with respect to the inherent likelihood of occurrence, severity of impact on the BDBF, the steps in place to mitigate the risk and the resulting impact on residual risk. Residual risks are ranked using a 'traffic light' scheme (red / amber / green). Each risk is allocated to a board committee who will oversee the management of that risk and the risk register notes the source of assurance that they will receive in respect of that risk management.

To embed risk management as an active and continuous process, risk is formally considered at each board and sub-committee meeting, with changes and progress noted within the risk register. The Finance, Investment and Property sub-committee oversees the detailed risk management process.

The strategic risks which are currently assessed as scoring highest, and the outline mitigating strategies to address them, are shown in the following table.

## STRATEGIC AND OPERATING REVIEW

RISK	MITIGATION STRATEGY
The impact of Covid-19 Pandemic results in a significant financial loss (and possible loss of key personnel) for the BDBF that it is unable to sustain	<ul style="list-style-type: none"> <li>• Monitoring of cashflow (and outturn) forecasts based on latest information to identify pinch points</li> <li>• Engagement with parishes throughout the year to ensure Common Fund budgets can be achieved</li> <li>• Sustainability Grant funding from National Church</li> <li>• Designated reserves identified to provide bridge funding to cover deficits arising on unrestricted fund activity in 2021</li> </ul>
Failure to effectively embed the new Common Fund methodology leading to non-payment of Common Fund	<ul style="list-style-type: none"> <li>• Clear biblical foundation to methodology with a clear and effective communication, generosity and discipleship plans</li> <li>• Monthly contribution discount incentives</li> <li>• Monthly review of contribution profile assisted by proactive discussions with parishes</li> <li>• Review of methodology in light of Covid-19 and roll-out of People &amp; Places</li> </ul>
The <i>People &amp; Places</i> framework for mission and ministry does not deliver the required culture change in a timely manner	<ul style="list-style-type: none"> <li>• Appointment of full time Area Deans to facilitate culture change</li> <li>• Supported by increased focus and support on Transforming Church Action Planning</li> <li>• Implementation of a new approach to clergy and lay learning and development</li> <li>• Effective monitoring and evaluation processes</li> </ul>
Failure to grow the Church in its mission, especially at the speed required by Church Commissioners funding streams	<ul style="list-style-type: none"> <li>• New governance structures for more effective monitoring and evaluation of mission goals and financial impact consequences</li> </ul>
Dependency on Church Commissioners funding for missional growth support activities	<ul style="list-style-type: none"> <li>• Effective management and delivery mechanisms on existing Church Commissioners funded programmes to ensure trust and confidence in delivery capacity</li> <li>• Longer-term financial planning to ensure core funding will be available to cover key cost elements in the long term</li> </ul>
Reputational and financial risks associated with safeguarding of young people and vulnerable adults	<ul style="list-style-type: none"> <li>• Comprehensive training programme for all parishes</li> <li>• Independent scrutiny group established</li> <li>• Safeguarding Management Group monitors Diocesan compliance.</li> </ul>

## Plans for future periods

Our vision to 'grow churches at the heart of each community' continues to be central to our plans for future periods. We want to:

- Grow a vibrant church
- Help Christians become more confident in their faith and mission
- Be sustainable
- Make sure resources are shared more fairly

We recognise that our pattern of ministry and mission needs to be relevant to each local context and will vary across locations. In 2021, the key activities that we will be focusing on include:

- Continuing the embedding of the *People & Places* deployment framework and associated culture change through the encouragement of lay and context ministry
- To continue to ensure all clergy appointments fit within the *People & Places* framework and support its strategic priorities in the parishes
- To develop a strategic approach to the development of New Christian Communities and the continued identification of new opportunities
- Continuing to embed our new Area Deaneries including the implementation of a structure of oversight ministry
- Focus on *Transforming Church* Action Planning to support churches to engage with their local communities and play their part in the transformation of their neighbourhoods

## STRATEGIC AND OPERATING REVIEW

- Continuing the roll-out of our new approach to pathways for learning and discipleship that is accessible to all
- Continued reimagining of ministry, particularly to encourage the *Setting God's People Free* agenda
- Collaboration with the DBE to further deepen and promote the Christian Distinctiveness of our schools
- To scope and plan our response to our goal to achieve net zero emissions by 2030
- Embedding an ethos of diversity, inclusivity and generosity into everything that we do

## Directors' report

## Going concern

The lockdown and closure of church buildings as a result of the Covid-19 pandemic during 2020 and into 2021 has required the Directors to consider the question of going concern in significantly more detail than it would have done previously. Cash inflows to parishes as a result of church closures have been seriously damaged, which has had a negative impact on the level of Common Fund contributions into the BDBF over 2020 and is expected to do so again during 2021. The 2021 budget has been prepared on the basis that common fund income will continue to be lower than levels before the pandemic with reductions in overhead costs where deliverable. Bishop's Council has agreed to un-designate funds if required in order to deliver a balanced financial outturn for 2021. The planned property disposal programme to replace any designated funds used to fund unrestricted core activities is progressing as planned. Restricted activities are expected to continue as per their agreed programmes, albeit potentially at lower activity levels. A draft 2022 budget has been prepared to reflect latest expectations with regard to unrestricted income and overhead costs. Based on the above, the trustees are satisfied that the BDBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

## Charitable and political donations

No political contributions were made during the year. Charitable contributions have been made as part of the BDBF's objectives, mainly to projects sponsored under parish initiatives.

## Taxation status

The BDBF is a charity having been established under the Diocesan Boards of Finance Measure 1925 and, as such, is not liable to income tax or corporation tax. The BDBF is also registered as a charity (reg. no. 249403).

## Responsibilities of the trustees

The trustees are responsible for preparing the Trustees' strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Follow the methods and principles of the Charities Statement of Recommended Practice
- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statements as to disclosure of information to auditors

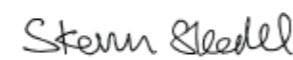
The trustees have taken all the necessary steps to make sure that they are aware of any relevant audit information and to establish that the auditors are aware of that information.

As far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware.

## Appointment of auditors

A resolution to re-appoint Haysmacintyre LLP will be proposed at the forthcoming annual general meeting.

The Board of Trustees approve their Annual Report and, in their capacity as company directors, also approve the Strategic Report incorporated therein on 17 June 2021 and signed on its behalf.



Mr Steven Skakel

Chair and Director of Birmingham Diocesan Board of Finance

## APPENDIX SUMMARY INFORMATION

## The Structure of the Church of England

The Church of England is organised as two provinces, each led by an archbishop. The Archbishop of Canterbury leads the Southern Province and the Archbishop of York leads the Northern Province. Each province is comprised of dioceses of which there are 41 in England (42 including the diocese of Europe).

Dioceses, each under the spiritual leadership of a Diocesan Bishop, are the principal pastoral, financial and administrative resource of the Church of England. Each diocese is divided into parishes. Each parish is overseen by a parish priest, who is an Incumbent (Vicar or Rector) or Priest-in-Charge. From ancient times through to today, incumbents and their bishop are responsible for the 'cure of souls' in their parish.

Her Majesty The Queen, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and some deans of cathedrals on the advice of the Prime Minister. The two archbishops and 24 senior bishops sit in the House of Lords.

The Church of England is episcopally-led, with 108 bishops including Diocesan bishops and assistant and suffragan bishops. It is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of Acts of Parliament. It is made up of three groups or 'houses' of members: the Houses of Bishops, of Clergy and of Laity. General Synod meets in London or York at least twice annually to consider legislation for the broader good of the Church.

## The three National Church Institutions

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for the clergy. The costs of episcopal administration through the Diocesan and suffragan bishops are met by the Church Commissioners.

The Church of England Pensions Board was established by the Church Assembly in 1926 as the Church of England's pensions authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for surviving partners of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

The Board, which reports to the General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close co-operation both with the Archbishops' Council and with the Church Commissioners.

## The Diocese

**The Cathedral** Birmingham Cathedral is the Mother Church of the diocese and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from the Cathedral Offices, 1 Colmore Row, Birmingham, B3 2BJ.

**Diocesan Synod** The statutory governing body of the diocese is Diocesan Synod which is made up of broadly equal numbers of clergy and lay representatives elected from across the diocese together with the bishops and archdeacons. Its role is to:

- consider matters affecting the Church of England in the diocese
- act as a forum for debate of Christian opinion on matters of religious or public interest
- advise the bishop where requested
- deal with matters referred by General Synod
- provide for the financing of the diocese

**Deanery Synod** There is a Deanery Synod in each of the diocese's deaneries. Each Deanery Synod has two houses, laity and clergy, and Deanery Synod's role is to:

- Respond to requests from General Synod
- Give effect to the decisions made by Diocesan Synod
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod
- Raise with Diocesan Synod such matters as it considers appropriate
- Elect members of the deanery to Diocesan Synod and of the diocese to General Synod

## The Bishop's Council

Under the constitution of Diocesan Synod, Bishop's Council has the following functions:

- To plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion
- To initiate proposals for action by the Synod and to advise it on matters of policy
- To advise the President (the Diocesan Bishop) on any matter
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees
- To carry out such functions as the Synod may delegate to it

**Parochial Church Council (PCC)** A PCC is the elected governing body of an individual parish which in general is the smallest pastoral area in the Church of England. Typically each parish has one parish church. A PCC is made up of the incumbent as chair, the churchwardens, and a number of elected and ex-officio members. Each PCC is a charity. All PCCs with gross income over £100,000 are required by law to register with the Charity Commission (as soon as practical after their gross income exceeds £100,000) unless the Charity Commission issues a written determination to the contrary. This may be possible in exceptional circumstances such as when gross income includes a substantial grant for a purpose that will not be repeated for the foreseeable future. If not required to register, PCCs are 'excepted' charities.

Other than where shown, the transactions of PCCs do not form part of the attached financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

**Parishes, Benefices, Deaneries and Archdeacons** A benefice is an ecclesiastical office in a parish or group of parishes normally served by an incumbent. Team ministries may have several clergy of incumbent status serving in one benefice. A deanery is a group of parishes over which an area dean has oversight and an archdeaconry is a group of deaneries for which an archdeacon is responsible.

The information in this appendix about General Synod, the Church Commissioners, the Archbishops' Council, Birmingham Cathedral and PCCs is included as background only. The financial transactions of these bodies do not form part of these financial statements.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BIRMINGHAM  
DIOCESAN BOARD OF FINANCE LIMITED**

**Opinion**

We have audited the financial statements of the Birmingham Diocesan Board of Finance Limited for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Annual Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or

- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 42, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding vulnerable beneficiaries, health and safety, and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and Church of England Measures.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fund accounting, including transfers between funds, and revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Testing transfers between funds; and
- Cut-off testing in respect of revenue.

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Halsey (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP,  
Statutory Auditor  
24th June 2021  
10 Queen Street Place, London EC4R 1AG



**FINANCIAL STATEMENTS**

**Statement of financial activities**

FOR YEAR ENDED 31 DECEMBER 2020  
COMPANY NUMBER: 440966

	Restricted funds		Unrestricted funds		Total funds 2020	Total funds 2019
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000	£'000	£'000
<b>INCOME</b>						
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations:						
Parish contributions		27	-	4,926	4,953	5,643
Archbishops' Council		1,462	1,000	1,948	4,410	3,169
Other donations		26	-	954	980	1,094
Charitable activities		67	-	364	431	537
Other trading activities		19	-	480	499	450
Investments	4	190	11	463	668	737
Other income		-	-	315	315	611
<b>TOTAL INCOME</b>	<b>4</b>	<b>1,791</b>	<b>1,011</b>	<b>9,450</b>	<b>12,256</b>	<b>12,241</b>
<b>EXPENDITURE ON</b>						
Raising funds	7	35	-	140	175	267
Charitable activities	8	-	1,972	(329)	10,803	11,021
Other	9	-	-	11	12	62
<b>TOTAL EXPENDITURE</b>	<b>35</b>	<b>1,972</b>	<b>(318)</b>	<b>9,301</b>	<b>10,990</b>	<b>11,350</b>
Net income before investment gains and losses		(31)	(181)	1,329	1,266	891
Net (losses) / gains on investments		32	51	3	(27)	1,208
Net gains / (losses) on investment Property		326	-	207	533	(1,874)
<b>NET INCOME</b>	<b>327</b>	<b>(130)</b>	<b>1,332</b>	<b>243</b>	<b>1,772</b>	<b>226</b>
Transfers between funds	21	-	187	619	(806)	-
Other recognised gains	23	-	-	10	10	1,507
<b>NET MOVEMENT IN FUNDS</b>	<b>327</b>	<b>57</b>	<b>1,961</b>	<b>(563)</b>	<b>1,782</b>	<b>1,733</b>
Total funds brought forward	21	28,769	7,100	1,687	6,736	44,292
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>21</b>	<b>29,096</b>	<b>7,157</b>	<b>3,648</b>	<b>6,173</b>	<b>46,074</b>

**Transfers between funds**

For analysis of transfers between funds, see note 21. All activities derive from continuing operations.

## Balance sheet

FOR YEAR ENDED 31 DECEMBER 2020  
COMPANY NUMBER: 440966

Note	2020		2019	
	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>				
Tangible assets	15	23,828	23,828	23,942
<b>INVESTMENTS:</b>				
Investment properties	16	2,606	2,623	23,942
Other investments		12,680	12,762	
		15,286		15,385
<b>TOTAL FIXED ASSETS</b>		<b>39,115</b>		<b>39,327</b>
<b>CURRENT ASSETS</b>				
Debtors	17	1,759	2,268	
Cash at bank		7,553	5,161	
		9,312	7,429	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	18	<b>(1,796)</b>	<b>(1,652)</b>	
<b>NET CURRENT ASSETS</b>		<b>7,516</b>	<b>5,777</b>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>46,630</b>	<b>45,104</b>	
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	19	<b>(556)</b>	<b>(812)</b>	
<b>NET ASSETS</b>	21	<b>46,074</b>	<b>44,292</b>	
<b>FUNDS</b>				
Restricted income funds		7,157	7,100	
Endowment funds		29,096	28,769	
Unrestricted income funds:				
Designated		3,648	1,687	
Undesignated		6,173	6,736	
	21	46,074	44,292	

The Statement of Financial Activities, Income and Expenditure Account, Cash Flow Statement and the Notes form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 17 June 2021 and signed on behalf of the Board by:



Mr Steven Skakel Chair

## Income and expenditure account

FOR YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£'000	£'000
Total incoming resources	12,252	12,180
Resources expended	(10,955)	(11,318)
Net income before gains for the year	1,297	862
Net (losses) / gains on investments	(59)	624
Net gain / (loss) on investment property	207	(1,873)
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>	<b>1,445</b>	<b>(386)</b>
<b>Other comprehensive income:</b>		
Net assets transferred to endowments	-	-
<b>TOTAL COMPREHENSIVE INCOME / (EXPENDITURE)</b>	<b>1,445</b>	<b>(386)</b>

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

## Cash flow statement

FOR YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£'000	£'000
<b>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</b>	<b>238</b>	<b>(859)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends, interest and rent from investments	687	743
Interest paid	(1)	(2)
Proceeds from sale of:		
Tangible fixed assets / current assets for the use of the BDBF	375	358
Investment Properties	1,082	1,081
Other investments	563	479
Purchase of:		
Tangible fixed assets for the use of the BDBF	(16)	(37)
Investment Properties	-	(2)
Other investments	(508)	(915)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>2,182</b>	<b>1,705</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans repaid by BDBF	(7)	(101)
Loans repaid to BDBF	29	60
New loans made by BDBF	(50)	(10)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(28)</b>	<b>(51)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>	<b>2,392</b>	<b>795</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>5,161</b>	<b>4,366</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>7,553</b>	<b>5,161</b>



## 1 Principal accounting policies

### Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011, applicable accounting standards (FRS102), Charities SORP (FRS102), The Church of England Diocesan Annual Reports and Financial Statements Guide and under the historical cost accounting rules except that fixed asset investments, current asset investments and investment properties are included at fair valuation.

The BDBF meets the definition of a public benefit entity under FRS102.

### Company status

The company is limited by guarantee, which is incorporated and registered in England and Wales (No. 440966). The members of the company are the Trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The company's registered office is 1 Colmore Row, Birmingham, B3 2BJ.

### Going concern

The trustees assess whether the use of the going concern principal is appropriate i.e. whether there are any principal uncertainties, related events or conditions that may cast significant doubt on the ability of the BDBF to continue as a going concern. The worldwide Covid-19 pandemic had a significant impact on the work and the finances of the BDBF during the financial year and this is continuing into 2021. The Strategic and Operating Review on page 40 sets out the response of the BDBF to this unexpected and unprecedented change to the activities of the charity, and in particular the unrestricted income of the charity. The report briefly sets out the mitigating actions that have been taken and will continue to be taken to ensure that the BDBF can continue as a going concern. The trustees make this assessment in respect of the period of at least one year from the date of the authorisation for issue of the financial statements and have concluded that the BDBF has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the BDBF's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The principal accounting policies and estimation techniques are as follows:

### Income

All income is included in the Statement of Financial Activities when the BDBF is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

**Common Fund and income from parochial fees** The principal source of income comes from voluntary giving in the form of parish contributions (Common Fund), which includes amounts received up to the 31 January following the year end. Common Fund income also includes any arrears received from previous years.

**Grant income** Income from the Archbishops' Council is accounted for on a receivable basis and represents the annual grant for Diocesan and parish mission, the funds for which originate in a block grant by the Church Commissioners to the Archbishops' Council. The annual grants from the Archbishops' Council may be used for either mission and ministry support for lower income communities (Lower Income Communities Fund), restructuring activities (Restructuring Fund) or a range of strategic development activities including the key *People & Places* and *Shaping the Future* mission programmes (Strategic Development Funding).

Other grant income is recognised when receivable. This includes a one-off Sustainability Grant from the Archbishops' Council, which has been

made available to bridge the gap between the expected unrestricted outturn and the actual unrestricted outturn, arising from the impact of the Covid-19 pandemic on the DBF financial position. The total funds allocated and received have been held within a designated fund and any amounts not required for 2020 have been retained within the designated fund for similar purposes in 2021.

**Rent and investment income** Rent and investment income are recognised as income when receivable.

**Gains on disposal of fixed assets for the BDBF's own use** Gains on disposal of fixed assets for the BDBF's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.

**Birmingham Diocesan Endowment Fund income** The income from this fund is restricted for purpose of clergy stipends. However, the income is fully expended within the year of receipt and the legal restrictions therefore are satisfied. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

**Glebe Fund income** All clear income derived from its investments is transferred to the General Fund as contribution towards the cost of clergy stipends. It is on this basis that the income and the (normally much larger) related expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

### Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the BDBF to pay out resources. Expenditure is included on the accruals basis under the following headings; all costs are allocated to a specific category.

**Costs of raising funds** These are the costs of managing the Endowment, Glebe and Unrestricted fund investments, plus the costs associated with letting the vacant parsonages and investment properties.

**Charitable Expenditure** Charitable expenditure is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry and expenditure on education and Church of England schools in the diocese.

Resourcing ministry and mission includes the direct costs for the clergy and parishes, plus the costs of supporting the work of the parishes within the city and diocese of Birmingham. This principally includes the cost of clergy stipends, costs related to maintaining clergy housing in the parishes, the payment of grants to assist parish work plus the related staff costs and overheads.

**Grants payable** Grants payable are accounted for when authorised, when the award of the grant has been specifically communicated to the recipient and when the trustees have agreed to pay the grant without condition, or any condition attaching to the grant is outside the control of the BDBF. Grants offered subject to certain conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

**Support costs** Support costs consist of central management, administration and governance costs. They are allocated to categories of expenditure (resourcing ministry and mission, raising funds and education) on the basis of the proportion of staff time spent on each area of activity.

**Pension costs and other post-retirement benefits** The BDBF contributes to the Church of England Funded Pension Scheme for clergy and the Church Workers Pension Fund for other staff. Both these schemes are multi-employer pension schemes. The pension costs charged as resources expended represent the BDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding liabilities for the pension schemes in which the BDBF participates is recognised at the present value of contributions payable that arise from the deficit funding agreement. The liability is recognised in creditors distinguishing between contributions falling

due within one year and after more than one year. Details of the schemes are given in note 23 to the financial statements.

**Redundancy and termination benefits** Redundancy and termination benefits are recognised as soon as there is a legal or constructive obligation committing the BDBF to pay out resources.

### Tangible fixed assets and depreciation

**Freehold properties and parsonages** Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material, due to the very long expected remaining useful life in each case, and because their expected residual values are not materially less than their carrying value.

The BDBF has a policy of regular structural inspection, repair and maintenance, which in the case of residential properties is in accordance with the Repair of Benefices Buildings Measure 1972 and properties are therefore unlikely to deteriorate or suffer from obsolescence. In addition, disposals of properties occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying value.

**Parsonage houses recognition** The BDBF has followed the requirements of FRS102 in its accounting treatment for benefice houses (parsonages). FRS102 requires the accounting treatment to follow the substance of arrangements rather than their strict legal form. The BDBF is formally responsible for the maintenance and repair of such properties and has some jurisdiction over their future use or potential sale if declared redundant. The Trustees therefore consider the most suitable accounting policy to be to capitalise such properties as expendable endowment assets and to carry them at cost where known, otherwise at the deemed cost valuation of the midpoint of the relevant 1994 council tax band value.

**Other non-investment properties** The BDBF includes all other non-investment properties at cost where known, otherwise at the deemed cost valuation of the midpoint of the relevant 1994 council tax band value.

For properties that are jointly owned with a third party such as a parochial church council, only the proportion of the BDBF's investment in the property is accounted for within the financial statements of the BDBF.

Redundant churches are included at nil value.

**Investment properties** In accordance with FRS102, investment properties are carried at their fair value - this is considered by the Trustees annually and the aggregate surplus or deficit is recognised in the Endowment Fund and Glebe Fund. Investment properties were last professionally valued as at 31 December 2020, the results of which are included in these financial statements. If an asset changes category in the period under review then a professional valuation of the property is undertaken as the property changes category. The next professional valuation of properties is due as at 31 December 2025. No depreciation is provided on investment properties.

**Non-Property fixed assets** Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

**Depreciation** Depreciation of non-property assets is charged by equal annual instalments at rates estimated to write off their cost less any residual value over the expected useful lives that are as follows:

Computer equipment	3 years
Office furniture and fittings	10 years or the end of the property lease if relating to tenant's improvements

### Financial investments

Financial investments are stated at fair value. Realised gains or losses are recognised in the Statement of Financial Activities when financial investments are sold. Unrealised gains and losses are accounted for on revaluation of financial investments at the year end.

### Critical accounting estimates and areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

#### Accounting estimates

The BDBF makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Valuation of investment properties** The BDBF carries its investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The BDBF engaged independent valuation specialists to determine fair value at 31 December 2020. Some of the key assumptions used to determine the fair value of these assets are based on the valuer's knowledge and experience of the market and values of similar properties, which could be deemed subjective.

**Assumptions surrounding the clergy and church workers pension schemes** The BDBF contributes to the Church of England Funded Pension Scheme for clergy and the Church Workers Pension Fund for other staff. Both these schemes are determined to be multi-employer pension schemes and as required under FRS102, the BDBF recognises its agreed deficit funding liabilities on its balance sheet. The key actuarial assumptions that underpin the required deficit funding contributions liability are based on the actuary's knowledge and experience. Any changes in these assumptions as given in note 23 could have a significant impact on the required deficit funding contributions and resulting balance sheet liability.

#### Areas of judgement

**Current assets held for resale** The BDBF carries its current assets held for resale at fair value, which includes the estimated realisable proceeds net of costs associated with selling the asset. The estimated net proceeds are based on the 'for sale' price and associated costs determined by an independent valuation specialist or an offer made by a buyer post year end.

**Concessionary loans** Concessionary loans (both made and received) are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment. They are assessed for objective evidence of impairment at the end of each reporting period.

**Non-depreciation of freehold properties and parsonages** Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material, due to the very long expected remaining useful life in each case, and because their expected residual values are not materially less than their carrying value.

All estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Funds

Funds over which the BDBF's control is limited by statute or the terms of a trust deed, or which are restricted in their use, have been defined as 'restricted funds'. Funds which are controlled by the BDBF and over which there are essentially no restrictions as to their use (either by statute or trust) have been defined as 'unrestricted'. Designated funds are unrestricted funds that have been set aside by the BDBF for purposes designated by BDBF policy. Such designations may be set aside from time to time according to policy decisions.

## NOTES TO THE ACCOUNTS

## Endowments

The Endowment Funds are those whose capital represent permanent endowment and are therefore not available for revenue expenditure. For two of the funds, the income derived from the properties and other investments is available for meeting the costs of clergy stipends:

**Diocesan Glebe** This represents those historic lands and buildings which were held by incumbents and formed part of the benefice prior to the Endowment and Glebe Measure 1976. Glebe investments are subject to regulations under this Measure and previous Acts of Parliament, the main provisions being that Glebe should be held only as land or property.

**The Endowment Fund** This is a local fund originally set up under a Charity Commissioners Scheme of 1906 (amended in 1930) and is available for investment at the discretion of the Board of Finance subject to general charities legislation.

Details of the other two endowment funds are given in note 21 to the financial statements, along with details of the other major funds held by the BDBF.

## Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term. Where rent free periods are given as part of an operating lease, the impact of this rent-free period is reflected in the Statement of Financial Activities over the overall lease term.

## Schools major repair and capital projects

The Board of Education (as incorporated within the BDBF) receives contributions from governors of church schools in the diocese in connection with major repair and capital projects to Church Schools

and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as incoming resources or resources expended in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet.

## Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with any qualifying institution repayable within a three month notice period.

## Financial instruments

The BDBF has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' of FRS102 in full to all of its financial instruments.

Trade debtors which are receivable within 1 year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost being the transaction price less any amounts settled and any impairment losses.

Trade creditors payable within 1 year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less amounts settled.

Concessionary loans (both made and received) are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment. They are assessed for objective evidence of impairment at the end of each reporting period.

## 2 Donations

	Restricted funds		Unrestricted funds		Total funds 2020 £'000	Total funds 2019 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000		
<b>PARISH CONTRIBUTIONS</b>						
Common Fund - current	-	-	-	4,918	4,918	5,572
Common Fund - prior	-	-	-	8	8	41
<b>TOTAL COMMON FUND</b>	-	-	-	4,926	4,926	5,613
Contributions to Malawi Fund	-	27	-	-	27	30
<b>TOTAL PARISH CONTRIBUTIONS</b>	-	27	-	4,926	4,953	5,643
<b>ARCHBISHOPS' COUNCIL</b>						
Strategic Restructuring	-	35	-	-	35	151
Strategic Development	-	1,067	-	-	1,067	735
Strategic Capacity	-	88	-	-	88	95
Strategic Ministry	-	21	-	-	21	-
Lowest Income Communities Funding	-	-	-	1,948	1,948	1,972
Sustainability Grant	-	-	1,000	-	1,000	-
Resourcing Ministerial Education Block Grant	-	251	-	-	251	216
<b>TOTAL ARCHBISHOPS' COUNCIL</b>	-	1,462	1,000	1,948	4,410	3,169
<b>OTHER DONATIONS</b>						
Stipend sources	-	-	-	544	544	626
Allchurches Trust	-	5	-	164	169	259
Other donations to Malawi Fund	-	5	-	-	5	24
Historic England - Places of Worship officer	-	14	-	-	14	17
Resourcing Church - fabric	-	-	-	-	-	68
Jerusalem Trust - Growing Younger Facilitators	-	-	-	-	-	30
Other donations	-	2	-	41	43	70
Other grants	-	-	-	205	205	-
<b>TOTAL OTHER DONATIONS</b>	-	26	-	954	980	1,094

## NOTES TO THE ACCOUNTS

## 2 Donations (continued)

The annual grants from Archbishop's Council may be used for either specific parish mission and development projects or for clergy stipends. The Strategic Development Funding is restricted to the *Shaping the Future, People & Places* and various Church Planting programmes of mission activities. The Strategic Capacity funding is restricted to the *People & Places* programme. Strategic Ministry Funding is restricted to supporting curates in training with the objective of increasing the number of curacies that the dioceses is able to offer in any one year.

The Resourcing Ministerial Education Block Grant is to be used for approved clergy training pathways. The Strategic Restructuring Funding is restricted to activities that support diocesan strategic development work - the last of these funds were utilised during the current year. The Sustainability Grant is a one-off grant to bridge the gap between the expected and actual unrestricted outturn as a result of Covid-19.

## 3 Income from charitable activities

	Restricted funds		Unrestricted funds		Total funds 2020 £'000	Total funds 2019 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000		
Statutory fees	-	-	-	316	316	344
Parish training events	-	-	-	4	4	60
Insurance proceeds	-	-	-	2	2	11
Schools training events and services	-	66	-	-	66	80
Payroll Bureau service	-	-	-	12	12	11
Interest receivable on parish loans	-	1	-	30	31	31
<b>TOTAL</b>	-	67	-	364	431	537

Total income from charitable activities for the year ended 31 December 2019 of £537,000 was split between funds as follows: £83,000 in other restricted funds and £454,000 in undesignated funds.

## 4 Other trading activities

	Restricted funds		Unrestricted funds		Total funds 2020 £'000	Total funds 2019 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000		
Housing income	-	-	-	462	462	409
Recharges to other Christian organisations	-	19	-	15	34	31
Recharges to other charitable organisations	-	-	-	3	3	-
Recharges to Birmingham Diocesan Multi Academy Trust	-	-	-	-	-	10
<b>TOTAL</b>	-	19	-	480	499	450

Total income from other trading activities for the year ended 31 December 2019 of £450,000 was split between funds as follows: £27,000 in other restricted funds and £423,000 in undesignated funds.

## 5 Investment income

	Restricted funds		Unrestricted funds		Total funds 2020 £'000	Total funds 2019 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000		
Dividends and interest	8	180	11	248	447	501
Profit / (loss) on sales of investments	(4)	-	-	6	2	(6)
Rents	-	10	-	209	219	242
<b>TOTAL</b>	4	190	11	463	668	737

Total investment income for the year ended 31 December 2019 of £737,000 was split between funds as follows: £3,000 in endowment funds, £206,000 in other restricted funds, £14,000 in designated funds and £514,000 in undesignated funds.

## 6 Other income

	Restricted funds		Unrestricted funds		Total funds 2020 £'000	Total funds 2019 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000		
Gain on sale of fixed assets	-	-	-	315	315	611
<b>TOTAL</b>	-	-	-	315	315	611

Total other income for the year ended 31 December 2019 of £611,000 was split between funds as follows: £58,000 in endowment funds, £389,000 in designated funds and £164,000 in undesignated funds.

## NOTES TO THE ACCOUNTS

## NOTES TO THE ACCOUNTS

## 7 Fundraising costs

	Restricted funds		Unrestricted funds		Total funds 2020 £'000	Total funds 2019 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000		
Investment management costs	21	-	-	6	27	29
Property rental costs	14	-	-	134	148	238
<b>TOTAL</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>140</b>	<b>175</b>	<b>267</b>

Total fundraising costs for the year ended 31 December 2019 of £267,000 was split between funds as follows: £32,000 in endowment funds and £235,000 in undesignated funds.

## 8 Expenditure on charitable activities

	Restricted funds		Unrestricted funds		Total funds 2020 £'000	Total funds 2019 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000		
<b>CONTRIBUTION TO ARCHBISHOPS' COUNCIL</b>						
Training for ministry	-	-	-	189	189	189
National Church responsibilities	-	-	-	158	158	166
Mission agency pension costs	-	-	-	7	7	2
Retired clergy housing costs	-	-	-	68	68	65
Pooling of ordinands maintenance grants	-	-	-	42	42	13
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>464</b>	<b>464</b>	<b>435</b>
<b>RESOURCING MINISTRY AND MISSION</b>						
Parish Ministry:						
Stipends and National Insurance	-	364	-	3,396	3,760	4,041
Pension contributions	-	121	(380)	1,161	902	842
Housing costs	-	-	-	1,111	1,111	1,219
Removal, resettlement and grants	-	33	-	227	260	220
Training for ministry tuition fees	-	207	-	-	207	192
Archdeacons, vocations, chaplaincy and other expenses	-	165	-	444	609	567
<b>TOTAL</b>	<b>-</b>	<b>890</b>	<b>(380)</b>	<b>6,339</b>	<b>6,849</b>	<b>7,084</b>
Mission grants	-	65	-	27	92	146
Support for parish ministry	-	798	51	2,143	2,992	2,952
<b>TOTAL</b>	<b>-</b>	<b>863</b>	<b>51</b>	<b>2,170</b>	<b>3,084</b>	<b>3,098</b>
<b>EXPENDITURE ON EDUCATION</b>						
Support for Church Schools	-	219	-	187	406	404
<b>TOTAL</b>	<b>-</b>	<b>1,972</b>	<b>(329)</b>	<b>9,160</b>	<b>10,803</b>	<b>11,021</b>

Total expenditure on charitable activities for the year ended 31 December 2019 of £11,021,000 was split between funds as follows: £1,780,000 in other restricted funds, £(222,000) in designated funds and £9,463,000 in undesignated funds.

## 9 Other expenditure

	Restricted funds		Unrestricted funds		Total funds 2020 £'000	Total funds 2019 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000		
Interest payable on other loans	-	-	-	1	1	2
Interest charge on pension liabilities	-	-	11	-	11	60
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>1</b>	<b>12</b>	<b>62</b>

Total other expenditure for the year ended 31 December 2019 of £62,000 was split between funds as follows: £60,000 in designated funds and £2,000 in undesignated funds.

## 10 Analysis of expenditure including allocation of support costs

	Activities directly undertaken £'000	Grant funding of activities £'000	Support costs £'000	Total 2020 £'000
Raising funds	175	-	-	175
Charitable activities:				
Contributions to Archbishops' Council	-	464	-	464
Resourcing parish ministry	8,396	393	1,144	9,933
Education	225	11	170	406
Other	12	-	-	12
<b>TOTAL</b>	<b>8,808</b>	<b>868</b>	<b>1,314</b>	<b>10,990</b>

	Activities directly undertaken £'000	Grant funding of activities £'000	Support costs £'000	Total 2019 £'000
Raising funds	267	-	-	267
Charitable activities:				
Contributions to Archbishops' Council	-	435	-	435
Resourcing parish ministry	8,983	308	891	10,182
Education	227	17	160	404
Other	1,935	-	-	1,935
<b>TOTAL</b>	<b>11,403</b>	<b>760</b>	<b>1,051</b>	<b>13,223</b>

## 11 Analysis of support costs

	Restricted funds		Unrestricted funds		Total funds 2020 £'000	Total funds 2019 £'000
	Endowment funds £'000	Other funds £'000	Designated funds £'000	Undesignated funds £'000		
Support for Schools	-	170	-	-	170	160
Administration and premises	-	-	-	1,047	1,047	640
Church Workers Pension Scheme	-	-	-	10	10	-
Synod and Diocesan Advisory Committee Support	-	-	-	-	-	170
Governance:						
Auditors - external audit	-	-	-	19	19	19
Auditors - other services	-	-	-	1	1	1
Registrar and Chancellor	-	-	-	67	67	61
<b>TOTAL</b>	<b>-</b>	<b>170</b>	<b>-</b>	<b>1,144</b>	<b>1,314</b>	<b>1,051</b>

## NOTES TO THE ACCOUNTS

## NOTES TO THE ACCOUNTS

## 12 Analysis of grants made

	Number	Individuals £'000	Institutions £'000	Total 2020 £'000	Total 2019 £'000
<b>FROM UNRESTRICTED FUNDS FOR NATIONAL CHURCH RESPONSIBILITIES</b>					
Archbishops' Council	5	-	464	464	435
<b>FROM UNRESTRICTED / DESIGNATED FUNDS</b>					
PCCs for mission	1	-	8	8	10
Ordinands in training	14	85	-	85	80
Resettlement and first appointment grants	59	125	-	125	-
Church schools	1	-	11	11	11
Sundry clergy grants	44	19	62	81	68
<b>TOTAL</b>	<b>119</b>	<b>229</b>	<b>81</b>	<b>310</b>	<b>169</b>
<b>FROM RESTRICTED FUNDS</b>					
Malawi Partnership dioceses and projects	4	-	48	48	55
PCCs for project workers (Action in the City)	1	-	3	3	11
Church Schools	-	-	-	-	6
PCCs for mission initiatives	3	-	6	6	16
Other Christian organisations for mission initiatives	1	-	9	9	-
Ordinands in training	25	28	-	28	37
soul[food]	-	-	-	-	31
<b>TOTAL</b>	<b>34</b>	<b>28</b>	<b>66</b>	<b>94</b>	<b>156</b>
<b>TOTAL GRANTS PAYABLE</b>	<b>158</b>	<b>257</b>	<b>611</b>	<b>868</b>	<b>760</b>

## 13 Staff costs

	2020 £'000	2019 £'000
<b>EMPLOYEE COSTS DURING THE YEAR (EXCLUDING CLERGY PAY)</b>		
Wages and salaries	2,164	1,944
Social security costs	211	200
Pension costs	249	223
Pension costs – Church Workers Pension Scheme deficit contributions*	39	39
Redundancy costs	-	-
<b>TOTAL</b>	<b>2,663</b>	<b>2,406</b>
<b>AVERAGE NUMBER OF PEOPLE EMPLOYED DURING THE YEAR</b>		
	No.	No.
Parish mission support	54	52
Discipleship and Ministry support	13	13
Administration and financial management	11	10
Property	2	2
Education	5	5
<b>TOTAL</b>	<b>85</b>	<b>83</b>

\* The deficit contributions paid in 2020 and 2019 have been charged against the provision in note 23.

The numbers of staff whose emoluments (including benefits in kind but excluding pension contributions) amounted to more than £60,000 were as follows:

	2020 No.	2019 No.
In the band £60,000 – £65,000	1	2
In the band £65,000 – £70,000	1	2
In the band £75,000 – £80,000	1	-
In the band £85,000 – £90,000**	-	1

\*\* In 2019, this individual relinquished their right to employer pension contributions and their emoluments were adjusted as appropriate. The total amount of employer defined contribution pension contributions paid on behalf of these employees were £26,471 (2019: £31,166).

## 13 Staff costs (continued)

Key management (employee) personnel are deemed to be those having authority and responsibility delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2020 they were:

Diocesan Secretary (from 1 January 2020)	Jan Smart
Company Secretary (from 1 January 2020 to 30 April 2020)	Melanie Crooks
Company Secretary (from 1 May 2020)	Jan Smart
Director of Finance (until 30 April 2020)	Melanie Crooks
Director of Finance (from 1 May 2020)	Karen Preece
Property Director	Daniel Mayes
Director of Education	Sarah Smith

Remuneration and pensions for these four FTE employees amounted to £364,795 (2019: £422,910 for five FTE employees).

None of the directors received any remuneration as directors. The BDBF in both 2020 and 2019 has an overarching insurance policy that includes trustees' indemnity insurance however the premium attributable to the trustees' indemnity insurance element is not separately identifiable.

The clergy and clergy stipends are not included within the BDBF's staff costs, as they are not employees of the BDBF. The BDBF is merely responsible for the central administration and payment of the stipends on behalf of the parishes. However, the BDBF paid an average of 123 (2019: 129) stipendiary clergy as office holders holding parish or diocesan appointments in the diocese, and the costs were as follows:

	2020 £'000	2019 £'000
Stipends	3,461	3,599
National Insurance contributions	273	278
Apprenticeship Levy	15	16
Restructuring costs	120	157
Pension costs – current year	935	891
Pension costs – deficit funding provided	380	386
<b>TOTAL</b>	<b>5,184</b>	<b>5,336</b>

## 14 Net income before transfers and other recognised gains / (losses)

	2020 £'000	2019 £'000
<b>NET INCOME IS STATED AFTER CHARGING:</b>		
Depreciation – owned assets	70	67
Net gain on disposal of fixed assets	315	611
Auditor's remuneration – audit of financial statements	19	19
Auditor's remuneration – other services	1	1

## 15 Tangible fixed assets

	Freehold Properties (see analysis below) £'000	Computer equipment £'000	Office equipment £'000	TOTAL £'000
<b>COST / DEEMED COST OR VALUATION</b>				
At 1 January 2020	23,761	199	324	24,284
Additions	-	16	-	16
Disposals	(60)	-	-	(60)
<b>AT 31 DECEMBER 2020</b>	<b>23,701</b>	<b>215</b>	<b>324</b>	<b>24,240</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 1 January 2020	-	149	193	342
Charge for the year	-	24	46	70
Disposals	-	-	-	-
<b>AT 31 DECEMBER 2020</b>	<b>-</b>	<b>173</b>	<b>239</b>	<b>412</b>
<b>NET BOOK VALUE</b>				
<b>AT 31 DECEMBER 2020</b>	<b>23,701</b>	<b>42</b>	<b>85</b>	<b>23,828</b>
AT 31 DECEMBER 2019	23,761	50	131	23,942

All the above assets are used for charitable purposes.

## NOTES TO THE ACCOUNTS

## 15 Tangible fixed assets (continued)

	2020 cost or deemed cost £'000	2019 cost or deemed cost £'000
<b>FREEHOLD PROPERTIES</b>		
<b>ENDOWMENT FUNDS</b>		
Benefice houses fund:		
Parsonage houses	17,598	17,598
Glebe funds:		
Housing of team vicars, curates and others	660	660
<b>UNRESTRICTED FUNDS</b>		
Corporate property:		
Housing of senior clergy, curates and others	1,741	1,801
Other corporate property	3,702	3,702
<b>TOTAL FREEHOLD PROPERTIES</b>	<b>23,701</b>	<b>23,761</b>

## 16 Investments held as fixed assets

	Glebe £'000	Endowment fund £'000	Unrestricted fund £'000	TOTAL £'000
<b>a) INVESTMENT PROPERTIES</b>				
At 1 January 2020	1,167	940	516	2,623
Disposals	(5)	-	(516)	(521)
Revaluation	364	(50)	190	504
<b>AT 31 DECEMBER 2020</b>	<b>1,526</b>	<b>890</b>	<b>190</b>	<b>2,606</b>

Properties were valued by Bruton Knowles (Chartered Surveyors) on an open market existing use basis as at 31 December 2020. The BDBF's policy is to seek formal professional valuations of its investment properties every five years with trustee review in the intervening period. The next external review will be carried out as at 31 December 2025.

	1 January 2020 £'000	Sales £'000	Purchases £'000	Change in market value £'000	31 December 2020 £'000
<b>b) OTHER FINANCIAL INVESTMENTS</b>					
<b>ENDOWMENT FUNDS</b>					
Listed investments	4,278	(445)	419	10	4,262
Unlisted investments	554	-	-	22	576
	<b>4,832</b>	<b>(445)</b>	<b>419</b>	<b>32</b>	<b>4,838</b>
<b>OTHER RESTRICTED FUNDS</b>					
Listed investments	276	-	-	(34)	242
Unlisted investments	4,599	(17)	-	85	4,667
	<b>4,875</b>	<b>(17)</b>	<b>-</b>	<b>51</b>	<b>4,909</b>
<b>UNRESTRICTED FUNDS</b>					
Designated funds:					
Unlisted investments	81	(13)	-	3	71
Undesignated funds:					
Listed investments	1,171	(88)	89	(23)	1,149
Unlisted investments	1,803	-	-	(90)	1,713
	<b>3,055</b>	<b>(101)</b>	<b>89</b>	<b>(110)</b>	<b>2,933</b>
<b>TOTAL</b>	<b>12,762</b>	<b>(563)</b>	<b>508</b>	<b>(27)</b>	<b>12,680</b>

Unlisted investments consist of freely marketable shares in The Central Board of Finance Investment Fund and COIF administered by the CCLA Fund Managers. The historic cost of listed investments as at 31 December 2020 was £4,462,442 (2019: £4,531,462) and £5,471,397 (2019: £5,521,032) for unlisted investments.

## NOTES TO THE ACCOUNTS

## 17 Debtors

	2020 £'000	2019 £'000
<b>RECEIVABLE WITHIN ONE YEAR</b>		
Parish loans (concessionary loans)	17	32
Other loans (concessionary loans)	7	5
Prepayments and other debtors	668	1,111
Accrued income	43	138
	<b>735</b>	<b>1,286</b>
<b>RECEIVABLE AFTER ONE YEAR</b>		
Parish loans (concessionary loans)	71	29
Other loans (concessionary loans)	7	9
Other debtors	946	945
	<b>1,024</b>	<b>983</b>
<b>TOTAL DEBTORS</b>	<b>1,759</b>	<b>2,268</b>

Parish loans include an amount of £nil (2019: £6,623) due from parishes in respect of 'back-to-back' loans made to parishes from funds made available to the BDBF by the Central Board of Finance. The corresponding liability, being the amount repayable by the BDBF to the Central Board of Finance, is included within other loans in notes 18 and 19 below. Interest was payable and receivable at the same rate, being 0.55% above the CBF deposit rate.

## 18 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Other loans - Church Commissioners (concessionary loan)	20	27
Other loans - Gloucester Diocesan Board of Finance (concessionary loan)	68	68
Trade creditors	264	178
Other creditors	714	503
Pension fund deficit - church workers pension scheme	39	39
Pension fund deficit - clergy pension scheme	221	383
Accruals and deferred income	470	454
	<b>1,796</b>	<b>1,652</b>

Other loans (Church Commissioners) relate to advances from the Church Commissioners for house purchases and parish 'back to back loans' from the Central Board of Finance. The loans are variable interest loans at the rate of the Central Board of Finance (Church of England) Deposit Fund rate plus 0.55%

The loan from the Gloucester Diocesan Board of Finance is a restricted purpose loan for the building works in connection with the Resourcing Church project. The loan is an interest free, unsecured arrangement with repayments over a five-year period, although the final repayment due in 2020 has been deferred to 2021 as a result of the pandemic.

## NOTES TO THE ACCOUNTS

## NOTES TO THE ACCOUNTS

## 19 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Pension fund deficit – clergy pension scheme	228	459
Pension fund deficit – church workers pension fund	238	263
Other loans – Church Commissioners (concessionary loan)	90	90
	<b>556</b>	<b>812</b>

The maturity of the above loans may be analysed as follows:

	2020 £'000	2019 £'000
Between one to two years	20	20
Between two to five years	60	60
In five years and more	10	10
	<b>90</b>	<b>90</b>

Other loans (Church Commissioners) relate to advances from the Church Commissioners for parish 'back to back loans' from the Central Board of Finance. The loans are variable interest loans at the rate of the Central Board of Finance (Church of England) Deposit Fund rate plus 0.55%

The parish 'back to back' loans are unsecured in nature and their repayment maturity matches that of the respective parish loan debtor to the BDBF.

## 20 Analysis of assets and liabilities between funds

	Restricted funds		Unrestricted funds		Total funds 2020 £'000	Total funds 2019 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds		
	£'000	£'000	£'000	£'000		
<b>TANGIBLE ASSETS</b>						
Other fixed assets	18,258	22	-	5,548	<b>23,828</b>	23,943
<b>INVESTMENTS – FIXED</b>						
Investment properties	2,416	-	-	190	<b>2,606</b>	2,623
Other	4,838	4,909	71	2,862	<b>12,680</b>	12,761
<b>DEBTORS</b>						
Due within one year	(2)	160	233	344	<b>735</b>	1,285
Due after one year	-	74	215	735	<b>1,024</b>	983
Cash at bank	3,587	2,708	3,858	(2,600)	<b>7,553</b>	5,161
<b>CREDITORS</b>						
Due within one year	(1)	(716)	(263)	(816)	<b>(1,796)</b>	(1,652)
Due after one year	-	-	(466)	(90)	<b>(556)</b>	(812)
<b>NET ASSETS</b>	<b>29,096</b>	<b>7,157</b>	<b>3,648</b>	<b>6,173</b>	<b>46,074</b>	<b>44,292</b>

	Restricted funds		Unrestricted funds		Total funds 2019 £'000
	Endowment funds	Other funds	Designated funds	Undesignated funds	
	£'000	£'000	£'000	£'000	
<b>TANGIBLE ASSETS</b>					
Other fixed assets	18,769	17	-	5,667	<b>23,943</b>
<b>INVESTMENTS – FIXED</b>					
Investment properties	2,107	-	-	516	<b>2,623</b>
Other	4,832	4,873	82	2,975	<b>12,761</b>
<b>DEBTORS</b>					
Due within one year	294	111	233	647	<b>1,285</b>
Due after one year	-	38	215	730	<b>983</b>
Cash at bank	3,274	2,534	2,324	(2,977)	<b>5,161</b>
<b>CREDITORS</b>					
Due within one year	(3)	(474)	(444)	(731)	<b>(1,652)</b>
Due after one year	-	-	(722)	(90)	<b>(812)</b>
<b>NET ASSETS</b>	<b>28,769</b>	<b>7,100</b>	<b>1,688</b>	<b>6,736</b>	<b>44,292</b>

## 21 Movements in funds

	1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Capital movements £'000	31 December 2020 £'000
<b>ENDOWMENT FUNDS</b>						
Glebe Fund*	5,610	7	(20)	-	458	<b>6,055</b>
Birmingham Diocesan Endowment Fund*	5,289	(11)	(15)	-	(118)	<b>5,145</b>
Parsonage Houses Fund	17,598	-	-	-	-	<b>17,598</b>
Bishop Brown Legacy Endowment Fund	272	8	-	-	18	<b>298</b>
	<b>28,769</b>	<b>4</b>	<b>(35)</b>	<b>-</b>	<b>358</b>	<b>29,096</b>

## OTHER RESTRICTED FUNDS

Sites and Buildings Fund	970	1	-	-	-	<b>971</b>
Church Schools Fund	5,562	241	(218)	-	55	<b>5,640</b>
Action in the City Fund	44	2	(3)	-	(1)	<b>42</b>
Malawi Partnership Fund	362	45	(48)	-	(3)	<b>356</b>
St Luke's at Gas Street – Fabric Fund	111	-	-	-	-	<b>111</b>
Strategic Restructuring Fund	-	35	(35)	-	-	<b>-</b>
Training for Ministry Fund	-	251	(234)	-	-	<b>17</b>
Strategic Ministry Fund - Curates training	-	21	-	(21)	-	<b>-</b>
Shaping the Future (1)	5	391	(542)	146	-	<b>-</b>
Shaping the Future match (2)	7	-	-	-	-	<b>7</b>
Allchurches Trust Mission Apprentice Fund	22	5	(62)	35	-	<b>-</b>
Empowering Disciples Fund	7	-	(1)	-	-	<b>6</b>
Historic England – Places of Worship Officer	-	15	(42)	27	-	<b>-</b>
Allchurches Trust NECN	4	19	(23)	-	-	<b>-</b>
People & Places Capacity Fund	-	88	(89)	-	-	<b>(1)</b>
People & Places Development Fund	6	650	(648)	-	-	<b>8</b>
Church Planting (Shirley and Pype Hayes) Fund	-	18	(18)	-	-	<b>-</b>
Context Ministry and Church Planting Development Fund	-	9	(9)	-	-	<b>-</b>
	<b>7,100</b>	<b>1,791</b>	<b>(1,972)</b>	<b>187</b>	<b>51</b>	<b>7,157</b>

## UNRESTRICTED FUNDS

<b>DESIGNATED FUNDS</b>						
Pastoral Fund*	1,400	11	(40)	-	3	<b>1,374</b>
Pensions Reserve	(1,183)	-	369	-	10	<b>(804)</b>
Growing Younger Fund (2)	240	-	(11)	-	-	<b>229</b>
Strategic Investment Fund	1,216	-	-	796	-	<b>2,012</b>
Curate Fund	14	-	-	(14)	-	<b>-</b>
Sustainability Grant (Church Commissioners)	-	1,000	-	(163)	-	<b>837</b>
<b>UNDESIGNATED FUNDS</b>						
General Fund*	6,736	9,450	(9,301)	(806)	94	<b>6,173</b>
	<b>8,423</b>	<b>10,461</b>	<b>8,983</b>	<b>(187)</b>	<b>107</b>	<b>9,821</b>

<b>TOTAL</b>	<b>44,292</b>	<b>12,256</b>	<b>(10,990)</b>	<b>-</b>	<b>516</b>	<b>46,074</b>
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## NOTES TO THE ACCOUNTS

## NOTES TO THE ACCOUNTS

## 21 Movements in funds (continued)

	1 January 2019	Income	Expenditure	Transfers	Capital movements	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000
<b>ENDOWMENT FUNDS</b>						
Glebe Fund*	5,390	55	(17)	-	182	5,610
Birmingham Diocesan Endowment Fund*	4,945	(2)	(15)	-	361	5,289
Parsonage Houses Fund	17,959	-	-	(361)	-	17,598
Bishop Brown Legacy Endowment Fund	223	8	-	-	41	272
	<b>28,517</b>	<b>61</b>	<b>(32)</b>	<b>(361)</b>	<b>584</b>	<b>28,769</b>
<b>OTHER RESTRICTED FUNDS</b>						
Sites and Buildings Fund	968	2	-	-	-	970
Church Schools Fund	5,162	281	(236)	-	355	5,562
Action in the City Fund	54	3	(11)	-	(2)	44
Malawi Partnership Fund	364	68	(78)	-	8	362
St Luke's at Gas Street – Fabric Fund	1,560	68	(1,517)	-	-	111
soul[food]	31	-	(31)	-	-	-
Strategic Restructuring Fund	-	154	(158)	4	-	-
Training for Ministry Fund	-	216	(228)	12	-	-
Shaping the Future (1)	10	543	(546)	-	-	5
Shaping the Future match (2)	5	3	(1)	-	-	7
Allchurches Trust Mission Apprentice Fund	51	109	(138)	-	-	22
Empowering Disciples Fund	8	1	(2)	-	-	7
Jerusalem Trust – Growing Younger Facilitators	-	30	(30)	-	-	-
Historic England – Places of Worship Officer	-	17	(29)	12	-	-
Allchurches Trust NECN	-	18	(14)	-	-	4
People & Places Capacity Fund	-	92	(92)	-	-	-
People & Places Development Fund	-	193	(187)	-	-	6
	<b>8,213</b>	<b>1,797</b>	<b>(3,297)</b>	<b>28</b>	<b>360</b>	<b>7,100</b>
<b>UNRESTRICTED FUNDS</b>						
<b>DESIGNATED FUNDS</b>						
Pastoral Fund	1,030	403	(35)	-	2	1,400
Pensions Reserve	(3,016)	-	326	-	1,507	(1,183)
Transforming Church Fund	77	-	(1)	(76)	-	-
Growing Younger Fund (2)	342	26	(128)	-	-	240
Strategic Investment Fund	-	-	-	1,216	-	1,216
Curate Fund	28	-	-	(14)	-	14
<b>UNDESIGNATED FUNDS</b>						
General Fund*	7,368	9,955	(10,056)	(793)	262	6,736
	<b>5,829</b>	<b>10,384</b>	<b>9,894</b>	<b>333</b>	<b>1,771</b>	<b>8,423</b>
<b>TOTAL</b>	<b>42,559</b>	<b>12,241</b>	<b>(13,223)</b>	<b>-</b>	<b>2,715</b>	<b>44,292</b>

The funds denoted with \* include the following revaluation reserves:

	2020	2019
	£'000	£'000
<b>WITHIN ENDOWMENT FUNDS</b>		
Glebe Fund	1,024	664
Birmingham Diocesan Endowment Fund	99	149
	<b>1,123</b>	<b>813</b>
<b>UNDESIGNATED FUNDS</b>		
General Fund	1,140	1,216
<b>TOTAL</b>	<b>2,263</b>	<b>2,029</b>

## 21 Movements in funds (continued)

Details of the major funds are as follows:

## Endowment Funds

**Glebe Fund** Under the terms of the Endowment and Glebe Measure 1976, all historic parish Glebe land holdings were transferred to the respective Diocesan Boards of Finance, which were required, in return, to ensure that all clergy within their diocese received at least the agreed minimum stipend for the year. It represents glebe assets and the accumulated sale proceeds of glebe property. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice property. Besides glebe property, the funds may be invested in investments or cash held on deposit. All clear income derived from these investments is transferred to the General Fund as a contribution towards the cost of clergy stipends.

**Birmingham Diocesan Endowment Fund** This fund was also established under a scheme of the Charity Commissioners (dated September 1906), promoted by the Worcester diocese, with the object of providing a permanent capital endowment, the income derived from which was to be available to the Diocesan trustees for the purpose of augmenting the incomes of clergy serving in the 'poorer areas' of Birmingham. In 1963, the Charity Commissioners approved a variation to the scheme appointing the BDBF as joint trustees of the charity, together with the Birmingham Diocesan Trustees Registered. The objects were varied slightly by a Birmingham Commissioners Order dated August 1981, following the implementation of the Endowment and Glebe Measure, confirming that any clear income of the charity is to be applied in augmenting stipends of the clergy in the diocese of Birmingham. Subsequent to the 'Fresh Start' re-organisation of 1993, the BDBF transferred certain property and fiscal investments previously held in the General Fund into the Endowment Fund.

**Bishop Brown Legacy Endowment Fund** This fund was established from the estate of the late Bishop Brown (Bishop of Birmingham 1969-1977). His will gave a legacy to the BDBF to establish an endowment fund for the benefit of ordinands in training in the diocese. The income derived from the capital endowment may be used to contribute to the maintenance grants of those in training.

**Parsonages House Fund** This fund represents the carrying value of all the benefice houses (parsonages) in the diocese.

## Restricted Funds

**Sites and Buildings** This fund was originally created under a scheme of the Charity Commissioners by the Worcester diocese in November 1906, when Birmingham was first being established as an independent diocese, (Birmingham being formed mostly from parishes previously part of either the diocese of Worcester or Lichfield). The objectives of that fund were to assist the proposed new diocese in providing sites for and building new churches and mission rooms. The fund was absorbed into the Annual Reports of the Birmingham diocese during the years following the First World War and in 1951 the Charity Commissioners' consent was obtained to replacing individual trustees by the Birmingham Diocesan Board of Finance. This fund continues to be used to provide income for making grants to PCCs for the maintenance or extension of churches, and loans at reduced interest rates for new churches or (more usually) major repair projects.

**Church Schools Fund** This fund comprises the accumulated capital proceeds arising from the sale of closed Church Schools. Under section 86 of the 1944 Education Act (now section 554 of the 1996 Act), part or all of the proceeds arising on the sale of closed schools will have been directed to this fund under a Determination Order by the Secretary of State for Education. These proceeds in Birmingham are held under the terms of a Uniform Statutory Trust. The income deriving from the deposits and investments (mainly Common Investment Funds) is applied for the benefit of existing voluntary aided schools by way of grants and or loans for building projects and repairs.

**Action in the City Fund** This fund is the surplus funds raised by churches in the diocese of Birmingham against the target set to create the endowment fund that set up the Church Urban Fund ('CUF'). CUF was set up in response to the *Faith in the City* report in the wake of the social unrest that manifested itself in the England's inner cities in the early 1980s. Its residual capital and income continue to be used to support parishes engaged in community regeneration activities.

**The Malawi Partnership Fund** This relates to monies raised by individuals and parishes across the Birmingham diocese to provide support to link dioceses and their parishes in Malawi.

**Growing Younger Fund (1)** This fund relates to our *Growing Younger* strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to the restricted monies from Church Commissioners and other external funding sources.

**St Luke's at Gas Street – Fabric Fund** This fund is the specific donations raised to fund the building works at the Mission Resourcing Church at Retort House, Gas Street, Birmingham.

**Strategic Restructuring Fund** This fund relates to transitional monies received from Church Commissioners in respect of restructuring activities necessitated by changes in Church Commissioners allocation methodology for the funding of dioceses.

**soul[food] Fund** This fund relates to the monies raised by donations for the soul[food] social media mission initiative.

**Shaping the Future Fund (1)** This fund relates to our *Shaping the Future* strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to the restricted monies from Church Commissioners.

**Shaping the Future Fund (2)** This fund relates to our *Shaping the Future* strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to the restricted monies from other external funding sources.

**Training for Ministry Fund** This fund relates to the Resourcing Ministerial Education Block Grant that the BDBF receives from Archbishop's Council to fund training costs of ordinands.

**Strategic Ministry Fund – Curates Training** This fund relates to funding received from Archbishop's Council to support the training of additional curates.

**Allchurches Trust Mission Apprentices Fund** This fund relates to the Mission Apprentices Programme which is being funded by the All Churches Trust.

**Empowering Disciples Fund** This fund relates to donations collected at the annual ordination service which is then available to make small grants to further vocations and discipleship.

**Jerusalem Trust – Growing Younger Facilitators Fund** This fund relates to funding provided by Jerusalem Trust to extend the work of our *Growing Younger* facilitators.

**Historic England – Places of Worship Officer Fund** This fund relates to match funding provided by Historic England towards our Places of Worship Support Officer.

**Allchurches Trust NECN** This relates to the National Estates Church Network (NECN) programme that we are partners in and which is being funded by All Churches Trust.

**People & Places Capacity Fund** This relates to our *People & Places* Strategic framework which is part funded by a Strategic Capacity Funding grant from the Church Commissioners, with match funding from a Church Commissioners Strategic Development Funding grant and our own resources. This fund relates to the restricted Strategic Capacity Funding monies from Church Commissioners.

## NOTES TO THE ACCOUNTS

## NOTES TO THE ACCOUNTS

## 21 Movements in funds (continued)

**People & Places Development Fund** This relates to our *People & Places* Strategic framework which is part funded by a Strategic Development Funding grant from the Church Commissioners, with match funding from a Church Commissioners Strategic Capacity Funding grant and our own resources. This fund relates to the restricted Strategic Development Funding monies from Church Commissioners.

**Church Planting (Shirley and Pype Hayes) Fund** This relates to a Strategic Development Funding grant from the Church Commissioners to support the establishment of new church plants (and related infrastructure) within the diocese in the specific areas of Shirley and Pype Hayes.

**Context Ministry and Church Planting Fund** This relates to a Strategic Development Funding grant from the Church Commissioners to support the development of our strategic approach to context ministry and church planting within the diocese as part of our wider transformational vision for the diocese.

## Unrestricted funds

**Pastoral Fund** The diocesan pastoral fund represents the proceeds of redundant churches. The funds may be used for the acquisition and development of parsonages and other clergy houses and the provision, restoration, improvement and repair of churches once the legal obligations for redundant church buildings vested in the BDBF for disposal are met. When these funds have been used to purchase or improve property this has been charged to the Pastoral Fund in the year of expenditure. Proceeds of sale have been credited as income in the year of receipt. Where the BDBF has used the funds to purchase or improve properties in its corporate capacity, these have been included as fixed assets in these financial statements.

**Pension Reserve** This represents a designated or 'earmarked' fund in respect of possible BDBF obligations in respect of pension scheme arrangements.

**Transforming Church Fund** This is a designated fund to help with parish growth initiatives.

**Growing Younger Fund (2)** This fund relates to our *Growing Younger* strategic programme which is being part funded by a Strategic Development Funding grant from Church Commissioners with match funding from our own resources. This fund relates to our own resources that we have designated towards the programme.

**Strategic Investment Fund** This is a designated fund that has been created using proceeds from property disposal proceeds. The fund will be used for intentional strategic mission investments such as further implementation of context ministry and match funding for our Church Commissioners grant funded *Shaping the Future* and *People & Places* strategic programmes.

During the year as part of our response to the Covid-19 pandemic, Bishop's Council agreed a proposal to release back to general unrestricted funds from the Strategic Investment Fund such monies as were necessary to deliver a balanced budget on unrestricted activities. The receipt of Sustainability Grant funding from Archbishops' Council late in 2020 meant that such a transfer was not necessary in 2020, although the proposal has been ratified again in respect of the 2021 unrestricted activities budget.

**Sustainability Grant Fund** This fund relates to a Sustainability Grant received from Archbishops' Council in 2020 to enable the BDBF to bridge the gap in their unrestricted budget as a result of the Covid-19 pandemic. There are no specific restrictions attached to this funding other than the general stated purpose of bridging any unrestricted financial gap arising as a result of the Covid-19 pandemic. Archbishops' Council have permitted the diocese to hold over any funds granted in 2020 but not used in 2020 for the same purpose in 2021. Archbishop's Council will continue to monitor the need for such funds throughout 2021 and may seek repayment of any unused funds if it deems that they are no longer required.

**Curate Fund** This is a designated fund to help finance curate posts in future years.

**General Fund** The general fund is the BDBF's unrestricted, undesignated fund available for any of the Board's purposes without restriction.

Details of inter fund transfers in 2020 are as follows:

	Unrestricted general	Unrestricted designated	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000	£'000
Curate Fund to General Fund ①	14	(14)	-	-	-
General Fund to All Churches Trust Mission Apprentice Programme Fund ②	(35)	-	35	-	-
General Fund to Historic England - Places of Worship Officer Fund ③	(27)	-	27	-	-
General Fund to Strategic Ministry Fund ④	21	-	(21)	-	-
General Fund to Strategic Investment Fund ⑤	942	(942)	-	-	-
Strategic Investment Fund to <i>Shaping the Future</i> Fund ⑥	-	(146)	146	-	-
CC Sustainability Fund to General Fund ⑦	163	(163)	-	-	-
<b>TOTAL</b>	<b>(806)</b>	<b>619</b>	<b>187</b>	<b>-</b>	<b>-</b>

① This represents the transfer of early curacy end stipend savings previously saved to help fund 2020 curacies.

② These represent the transfer of unrestricted funds to cover deficit in restricted funds.

③ Transfer of curates' costs from unrestricted funds to restricted fund to help fund 2020 curacies.

④ These represent the transfer of property disposal proceeds to the Strategic Investment Fund to fund intentional strategic mission investments.

⑤ This represents the transfer of designated funds to cover restricted costs not covered by grant receivable.

⑥ This represents the use of the Sustainability Fund to cover shortfall in unrestricted funds.

Details of inter fund transfers in 2019 are as follows:

	Unrestricted general	Unrestricted designated	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000	£'000
Curate Fund to General Fund ①	14	(14)	-	-	-
General Fund to Restructuring Fund ②	(4)	-	4	-	-
General Fund to Historic England - Places of Worship Officer Fund ③	(12)	-	12	-	-
General Fund to Training for Ministry Fund ④	(12)	-	12	-	-
Transforming Church Fund to Strategic Investment Fund ⑤	-	(76)	-	-	-
	-	76	-	-	-
Parsonage Fund to Pastoral Fund ⑥	-	361	-	(361)	-
Pastoral Fund to Strategic Investment Fund ⑦	-	(361)	-	-	-
	-	361	-	-	-
General Fund to Strategic Investment Fund ⑧	(779)	779	-	-	-
<b>TOTAL</b>	<b>(793)</b>	<b>1,126</b>	<b>28</b>	<b>361</b>	<b>-</b>

① This represents the transfer of early curacy end stipend savings previously saved to help fund 2019 curacies.

② These represent the transfer of unrestricted funds to cover deficit in restricted funds.

③ This represents the transfer of Transforming Church funds to the Strategic Investment Fund to fund intentional strategic mission investments.

④ These represent the transfer of property disposal proceeds to the Strategic Investment Fund to fund intentional strategic mission investments.

## 22 Commitments

At 31 December 2020 the BDBF had no capital commitments which were contracted for but not provided in the financial statements (2019: £290,000).

## 23 Pension costs

## Employees - Church Workers Pension Fund

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The BDBF participates in the Church of England Defined Benefits Section ('DBS') of the Church Workers Pension Fund (the Fund), a pension scheme administered by the Church of England Pensions Board to provide benefits to lay employees based on final pensionable salaries. The assets of the fund are held separately from those of the employer. For funding purposes, the DBS is divided into sub pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post retirement investment returns. The division of the DBS into sub pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year include contributions payable towards benefits and expenses accrued in that year (2020: £6,500 2019: £6,500), plus any impact of deficit contributions payable, giving a total charge of £38,963 for 2020 (2019: £38,963).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out and finalised as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £26.2m.

Following the valuation, the BDBF has entered into an agreement with the Church Workers Pension Fund to pay expenses of £6,500 per year. In addition, deficit payments of £38,963 per year have been agreed for 10 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability with the BDBF financial statements. Section 28.11A of FRS101 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out as follows:

The BDBF has no parish loan facilities approved during the year which have not been drawn down by the parishes concerned as at 31 December 2020 (2019: £215,000 for two parishes).

	2020	2019
	£'000	£'000
Balance sheet liability at 1 January	302	321
Deficit contributions paid	(39)	(39)
Interest cost	4	7
Remaining change to the balance sheet liability	10	13
<b>BALANCE SHEET LIABILITY AS AT 31 DECEMBER</b>	<b>277</b>	<b>302</b>

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	31 December 2020	0.5% pa
Discount rate	31 December 2019	1.4% pa
	31 December 2018	2.3% pa

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities. A valuation as at 31 December 2019 was under way as at 31 December 2020. The contributions agreed at that valuation will be reflected in the figures disclosed in the 2021 accounts.

It was agreed to make all future non clergy pension arrangements through the Pension Builder section of the Church Workers Pension Scheme administered by the Church of England Pensions Board with effect from April 2012.

For eligible salaried employees who commenced employment after 1 January 2006 the BDBF participates in the Church of England Pension Builder Scheme (PBS) within the Church Workers Pension Fund, which is administered by the Church of England Pensions Board. The assets of the schemes are held separately from those of the BDBF and the other participating employers.

The PBS is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes. The BDBF contributes to the Pension Builder Classic section. The Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment, based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable.



## 23 Pension costs (continued)

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2016. This revealed, a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities. A valuation as at 31 December 2019 was under way as at 31 December 2020. The contributions agreed at that valuation will be reflected in the figures disclosed in the 2021 accounts.

The pension cost for the year shown in the financial statements is equal to the total contributions. The total contributions for the year were £239,960 (2019: £213,167).

The BDBF also contributes to a Group Personal Pension Plan organised by Friends Life for certain employees. This is a defined contribution, money purchase arrangement. The pension cost for the year shown in the financial statements is equal to the total contributions. The total contributions for the year were £2,085 (2019: £3,061).

### Stipendiary Clergy

The BDBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Bodies and this means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2020: £935,000, 2019: £890,000), plus the figures highlighted in the table below as being recognised in the Statement of Financial Activities, giving a total debit of £922,000 for 2020 (2019: credit of £577,000 charge) plus any impact of deficit contributions.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- RPI inflation of 3.4 % pa (and pension increases consistent with this);
- Increase in pensionable stipends 3.4% pa; and
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CIMI2018 extended model projections, with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5%pa. Following the valuation of the Scheme as at 31 December 2018, a recovery plan was put in place until 31 December 2022, and the deficit recovery contributions payable (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2019	January 2020 to December 2022
Deficit recovery contributions	11.9%	7.1%

As at 31 December 2020 and 2019 the deficit recovery contributions under the recovery plan in force were as set out in the above table. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme rules.

Section 28.11A of FRS102 requires the agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below:

	2020 £'000	2019 £'000
Balance sheet liability at 1 January	842	2,695
Deficit contributions paid	(380)	(386)
Interest cost	7	53
Remaining change to the balance sheet liability (recognised in the SoFA)*	(20)	(1,520)
<b>BALANCE SHEET LIABILITY AS AT 31 DECEMBER</b>	<b>449</b>	<b>842</b>

\* Comprises change in agreed deficit recovery plan and changes in discount rate and assumptions between year ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments.

	Discount rate	Price inflation	Increase in pensionable payroll
31 December 2020	0.2% pa	3.1%pa	1.6% pa
31 December 2019	1.1% pa	2.8% pa	1.3% pa
31 December 2018	2.1% pa	3.1% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, the BDBF could become responsible for paying a share of that Responsible Body's pension liabilities.

## 24 Commitments under operating leases

At 31 December 2020 the charity was committed to making the following payments under non-cancellable operating leases:

	Land and buildings 2020 £'000	Land and buildings 2019 £'000
<b>OPERATING LEASES WHICH EXPIRE</b>		
Within one year	263	268
Within one to two years	127	376
Within two and five years	-	-
	<b>390</b>	<b>644</b>

The Birmingham Cathedral and the Birmingham Diocesan Multi-Academy Trust contribute to the above operating lease commitments in respect of shared offices.

## 25 Reconciliation of net expenditure to net cashflow from operating activities

	2020 £'000	2019 £'000
<b>NET INCOME FOR THE YEAR ENDED 31 DECEMBER</b>	<b>1,239</b>	<b>431</b>
Depreciation charges	70	67
Dividends, interest and rent from investments	(668)	(743)
Interest on payable loans	1	2
Interest on clergy pensions liability	11	60
(Profit) / loss on sale of fixed assets	(315)	167
Loss on sale of investment properties and current assets held for sale	2	860
(Profit) / loss on sale of investments	(2)	6
Decrease / (increase) in debtors	15	(42)
(Decrease) in creditors	(137)	(469)
Donation of shares	-	10
Rental income deferred	(5)	-
Change in fair value of investments	27	(1,208)
<b>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</b>	<b>238</b>	<b>(859)</b>

## 26 Analysis of cash and cash equivalents

	At 1 January 2020 £'000	Cash flow £'000	At 31 December 2020 £'000
Cash in hand and at bank	1,534	937	2,471
Cash held on deposit	3,627	1,455	5,082
	<b>5,161</b>	<b>2,932</b>	<b>7,553</b>

Cash held on deposit is that with notice of less than three months to access.

## 27 Analysis of changes in net debt

	At 1 January 2020 £'000	Cash flow £'000	Other non-cash changes £'000	At 31 December 2020 £'000
Cash in hand and at bank	1,534	937	-	2,471
Cash equivalents	3,627	1,455	-	5,082
Loans falling due within one year	(95)	7	-	(88)
Loans falling due after more than one year	(90)	-	-	(90)
	<b>4,976</b>	<b>2,399</b>	<b>-</b>	<b>7,375</b>

## NOTES TO THE ACCOUNTS

## 28 Related party transactions

No trustee received any remuneration for services as a director. The trustees in their role as trustees received travelling and out of pocket expenses totalling £nil (2019: £nil). Four trustees received travelling and out of pocket expenses (2019: 4) totalling £2,323 (2019: £8,604) in respect of duties as archdeacon or area/women's dean. These amounts are in line with the BDBF usual practice and are not in relation to their roles as trustees.

The BDBF is responsible for funding via the Church Commissioners the stipends of licensed stipendiary clergy in the diocese, other than bishops and cathedral staff. The BDBF is also responsible for the provision of housing for stipendiary clergy in the diocese, including suffragan bishops but excluding diocesan bishop and cathedral staff. The following table gives details of the trustees who were in receipt of a stipend and housing provided by the BDBF during the year:

	Stipend	Housing
The Bishop of Aston	No	Yes
The Archdeacon of Birmingham	Yes	Yes
The Archdeacon of Aston	Yes	Yes
The Revd Alison Cozens	Yes	Yes
The Revd Chris Hobbs	Yes	Yes
The Revd Douglas Machiridza	Yes	Yes
The Revd Claire Turner	Yes	Yes
The Revd Bamidele Sotonwa	Yes	Yes
The Revd Canon Priscilla White	Yes	Yes
The Revd Rebecca Stephens	Yes	Yes
The Revd Richard Walker-Hill (until 31 March 2020)	Yes	Yes
The Revd John Routh	Yes	Yes
The Revd Canon Catherine Grylls	Yes	Yes

The stipend of the Suffragan Bishop was funded by the Church Commissioners. The annual rate of stipend funded by the BDBF, paid to Archdeacons in 2020 was £36,830 (2019: £36,100) and for other clergy who were trustees the diocesan stipend rate was £26,130 (2019: £26,132).

The Cathedral shares office space with the BDBF and an amount of £23,250 (2019: £23,250) was payable for this space for the year ended 31 December 2020.

The Cathedral paid Common Fund of £49,735 to the BDBF for the year ended 31 December 2020 (2019: £48,756).

The Birmingham Diocesan Multi-Academy Trust ('the Trust') shares office space with the BDBF and an amount of £19,260 (2019: £19,260) was payable for this space for the year ended 31 December 2020. The Trust also purchased at cost the services of the Diocesan Board of Education School Improvement Officer, the Church School Distinctiveness Adviser and the Education Support Manager for clerking duties This amounted to £683 for the year ended 31 December 2020 (2019: £12,107). The Diocesan Board of Education (as incorporated within the Diocesan Board of Finance) made a grant of £nil to the Trust during the year ended 31 December 2020 (2019: £90,000) to facilitate the establishment of the diocesan multi-academy trust. The Trust provided teacher continuous professional development training for the Diocesan Board of Education during the year at cost of £nil (2019: £5,855), with a balance of £5,855 outstanding to the Trust at 31 December 2020 (2019: £5,855).

The BDBF contributed £3,000 (2019: £3,000) towards the office costs of Thrive Together Birmingham, the Church Urban Fund joint venture with the Bishop of Birmingham and BDBF.

Five clergy trustees received continuing ministerial development grants to support study and development needs and resettlement and removal grants totalling £5,904 (2019: £8,131 for 6 clergy trustees) during the year ended 31 December 2020. These grants were unconnected with their role as BDBF trustees.

For the purposes of this disclosure note transactions with parochial church councils where there may be a relationship between members of Bishop's Council as they are trustees of these bodies, have not been included.

## 29 Funds administered as agent

	2020	2019
	£'000	£'000
Government grants received in respect of school capital projects	959	1,380
Contributions from Church School governors for school capital projects	133	180
Total received in	1,092	1,560
Amounts paid out on school capital projects	(1,125)	(1,706)
<b>NET POSITION FOR THE YEAR</b>	<b>(33)</b>	<b>(146)</b>

The Board of Education (as incorporated within the Diocesan Board of Finance) receives contributions from governors of church schools in the diocese in connection with major repair and capital projects to Church Schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes the appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as incoming resources or resources expended in the Statement of Financial Activities. Any monies held or due at the balance sheet date are recognised within the balance sheet and contained within the Church School Fund.

The BDBF holds and manages parsonage decoration funds on behalf of its parishes. The monies do not belong to the BDBF and as such the receipts and payments into and out of the funds are not treated as incoming resources or resources expended in the Statement of Financial Activities. Any monies held at the balance sheet date are recognised within the balance sheet as a creditor. The funds as at 31 December 2020 stood at £99,898 (2019: £99,660).

## NOTES TO THE ACCOUNTS

## 30 Prior year comparative statement of financial activities

	Note	Restricted funds		Unrestricted funds		Total funds 2019
		Endowment funds	Other funds	Designated funds	Undesignated funds	
		£'000	£'000	£'000	£'000	£'000
<b>INCOME</b>						
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations:	2					
Parish contributions		-	30	-	5,613	5,643
Archbishops' Council		-	1,197	-	1,972	3,169
Other donations		-	253	26	815	1,094
Charitable activities	3	-	83	-	454	537
Other trading activities	4	-	27	-	423	450
Investments	5	3	206	14	514	737
Other income	6	58	-	389	164	611
<b>TOTAL INCOME</b>		<b>61</b>	<b>1,796</b>	<b>429</b>	<b>9,955</b>	<b>12,241</b>
<b>EXPENDITURE ON</b>						
Raising funds	7	32	-	-	235	267
Charitable activities	8	-	1,780	(222)	9,463	11,021
Other	9	-	-	60	2	62
<b>TOTAL EXPENDITURE</b>		<b>32</b>	<b>1,780</b>	<b>(162)</b>	<b>9,700</b>	<b>11,350</b>
Net income before investment gains and losses		29	16	591	225	891
Net gains on investments		584	360	2	262	1,208
Net loss on investment Property		-	(1,517)	-	(356)	(1,874)
<b>NET INCOME</b>		<b>613</b>	<b>(1,141)</b>	<b>593</b>	<b>161</b>	<b>226</b>
Transfers between funds	22	(361)	28	1,126	(793)	-
Other recognised gains	24	-	-	1,507	-	1,507
<b>NET MOVEMENT IN FUNDS</b>		<b>252</b>	<b>(1,113)</b>	<b>3,226</b>	<b>(632)</b>	<b>1,733</b>
Total funds brought forward	22	28,517	8,213	(1,539)	7,368	42,559
<b>TOTAL FUNDS CARRY FORWARD</b>	22	<b>28,769</b>	<b>7,100</b>	<b>1,687</b>	<b>6,736</b>	<b>44,292</b>



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