

CHURCH OF IRELAND
THE REPRESENTATIVE CHURCH BODY
REPORT 2011

The Representative Church Body – Report 2011

CONTENTS

	Page
Representative Church Body – chairpersons and offices	5
Representative Church Body – membership	6
Committees of the Representative Body	9
Mission and responsibility	14
Main points	14
Operating and financial review 2010	15
Allocations charged against the Revenue Account for 2010	19
Investments and markets	23
Clergy remuneration and benefits	28
Property and Trusts	33
Library and Archives Committee	40
The Church of Ireland Clergy Pensions Fund Solvency	43
The Church of Ireland Clergy Pensions Fund Trusteeship	44
Pensionable Stipend	44
Amendment to By-Laws of the Representative Church Body	44
Donations and bequests to the Church of Ireland	45
Miscellaneous and general	47
Resolutions recommended to the General Synod	47
Financial statements year ended 31 December 2010	49

APPENDICES

	Page
A Total income applied by the Representative Body in 2010	78
B Extracts from the accounts of the Church of Ireland Theological Institute for the year ended 30 June 2010	79
C Fund performances – Comparative total returns	81
D Socially Responsible Investment – Annual review and report of the Investment Committee	82
E General Unit Trusts – Financial statements and investment manager’s reports for the year ended 30 June 2010	84
F Church of Ireland Clergy Pensions Fund – Statement of Investment Policy Principles (2010)	105
G Church Fabric Fund – Grants allocated during 2010	110
H Accessions of archives and manuscripts to the Representative Church Body Library, 2010	111
I Funds received by the Representative Church Body in 2010 for parochial and diocesan endowment etc	115

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

Chairman

The Most Rev Alan Harper, Archbishop of Armagh

Committee Chairpersons

Executive	Mr Sydney Gamble	
	Mr Robert Neill (Deputy)	
Allocations	Mr Graham Richards	The Most Rev
Investment	Mr Robert Neill	Alan Harper
Property	Mr Robert Kay	
Stipends	Mr Henry Saville	
Library and Archives	Mr Michael Webb	
Legal Advisory	Mr Lyndon MacCann SC	
Audit	Mr Robert Neill	

Chief Officer and Secretary

Mr Denis Reardon

The Representative Church Body (RCB) was incorporated by Charter in 1870 under the provisions of the *Irish Church Act, 1869*. Its legal structure is that of charitable trustee or trust corporation with perpetual succession.

The main activities of the Representative Body involve management of investments, administration of trusts and deeds of covenant, payment of stipends and pensions, property and legal transactions and treasury management as well as supporting the core work of the Church by providing finance for the sustentation of the clergy and pensioners, training of ordinands, education, youth, communications etc. The RCB Library is the repository for the archives of the Church and the Library for the Church of Ireland Theological Institute and the Church at large. The committee structure is designed to reflect these mainline activities and responsibilities.

Office

Church of Ireland House
Church Avenue
Rathmines Dublin 6
Tel 01-4978422 Fax 01-4978821
Email office@rcbdub.org
Website www.rcb.ireland.anglican.org

Library

Braemor Park
Churchtown
Dublin 14
Tel 01-4923979
Fax 01-4924770
Email library@ireland.anglican.org

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

In accordance with the Charter of Incorporation (1870) the Representative Body is composed of *ex-officio*, elected and co-opted members. The Charter provides that the *ex-officio* members shall be the archbishops and bishops, the elected members shall consist of one clerical and two lay representatives for each diocese or union of dioceses presided over by one bishop and the co-opted members shall consist of persons equal in number to the number of such dioceses for the time being. (See also *Constitution of the Church of Ireland*, Chapter X).

The Representative Body is composed of the following sixty members. The recorded attendance of each at the four meetings of the Representative Body held during the year 2010 is denoted by the figure placed before each name.

A Archbishops and Bishops: *ex-officio* members (12)

- 4 The Most Rev Alan Harper, Archbishop of Armagh
5 Beresford Row, The Mall, Armagh
- 4 The Most Rev John Neill, Archbishop of Dublin*
The See House, 17 Temple Road, Dublin 6
- 4 The Most Rev Richard Clarke, Bishop of Meath and Kildare
Bishop's House, Moyglare, Maynooth, Co Kildare
- 4 The Rt Rev Michael Jackson, Bishop of Clogher†
The See House, Fivemiletown, Co Tyrone BT75 0QP
- 3 The Rt Rev Kenneth Good, Bishop of Derry and Raphoe
The See House, Culmore Road, Londonderry BT48 8JF
- 3 The Rt Rev Harold Miller, Bishop of Down and Dromore
The See House, 32 Knockdene Park South, Belfast BT5 7AB
- 2 The Rt Rev Alan Abernethy, Bishop of Connor
Bishop's House, 113 Upper Road, Greenisland, Carrickfergus, Co Antrim BT38 8RR
- 4 The Rt Rev Kenneth Clarke, Bishop of Kilmore
48 Carrickfern, Cavan
- 4 The Rt Rev Richard Henderson, Bishop of Tuam‡
Bishop's House, Knockglass, Crossmolina, Co Mayo
- 4 The Rt Rev Michael Burrows, Bishop of Cashel and Ossory
Bishop's House, Troysgate, Kilkenny
- 4 The Rt Rev Paul Colton, Bishop of Cork, Cloyne and Ross
The Palace, Bishop Street, Cork
- 3 The Rt Rev Trevor Williams, Bishop of Limerick and Killaloe
Rien Roe, Adare, Co Limerick

* retired January 2011

† elected Archbishop of Dublin February 2011

‡ resigned January 2011

The Representative Church Body – Report 2011

B Elected members (36)

Every member elected, except to a casual vacancy, must retire from office on the first day of the third Ordinary Session of the Diocesan Synod after that member's election (*Constitution of the Church of Ireland* Chapter X, Section 3). The date in brackets after each member's name denotes the year in which that member is due to retire. Outgoing members are eligible for re-election provided they have not reached 74 years of age by 1 January preceding election.

- Armagh 1 Ven Raymond Hoey, The Rectory, 2 Maytown Road, Bessbrook,
Co Down BT35 7LY (2012)
2 Mrs Ethne Harkness, 134 Coagh Road, Stewartstown, Co Tyrone
BT71 5LL (2013)
2 Mrs Jane Leighton, 14 Drumbeemore Road, Armagh BT60 1HP (2011)
- Clogher 2 Ven Cecil Pringle, 31 Station Road, Letterbreen, Enniskillen,
Co Fermanagh BT74 9FD (2012)
4 Mr William Allen, Aughnahinch, Newtownbutler, Co Fermanagh (2013)
1 Mr John Keating, Kilturk West, Newtownbutler BT92 2BS,
Co Fermanagh (2011)
- Derry and 4 Ven Donald McLean, 12 Station Road, Castledawson, Co Derry BT45
Raphoe 8AZ (2011)
4 Mr Robert Pollock, 77 Edenderry Road, Omagh, Co Tyrone BT79 0NP (2012)
4 Mr Sydney Gamble, 14 Spruce Road, Dysart, Strabane, Co Tyrone (2013)
- Down and 4 Ven Philip Patterson, 69 Church Road, Newtownbreda, Belfast BT8 7AN (2012)
Dromore 4 Mr Albert Wilson, 11 Ballymoney Road, Banbridge, Co Down BT32 4DS
(2013)
2 Mr Lance Dermott, 3 Ashdene Grange, Comber, Newtownards, Co Down
BT23 5SL (2011)
- Connor 2 Rev Canon John Mann, St John's Rectory, 86 Maryville Park, Belfast
BT9 6LQ (2012)
1 Mr Robert Kay, 2 Brookvale Terrace, Portrush, Co Antrim BT56 8EY (2013)
3 Mr John Wallace, The Hermitage, 7 Ahoghill Road, Randalstown,
Co Antrim BT41 3BJ (2011)
- Kilmore, 3 Rev George Davison, The Rectory, 12 Harwood Gardens, Carrickfergus,
Elphin and Co Antrim BT38 7US (2011)
Ardagh 3 Miss Maud Cunningham, Clonatumpher, Florencecourt, Enniskillen,
Co Fermanagh BT92 1BA (2012)
1 Mr Kenneth Davis, Aughafad, Longford (2013)*
- Tuam, 2 Very Rev Alistair Grimason, The Deanery, Deanery Place, Cong,
Killala and Co Mayo (2011)
Achonry 1 Prof Paul Johnston, Luimnagh West, Corrandulla, Co Galway (2012)
3 Mr Ben Bradish, Frenchfort, Oranmore, Co Galway (2013)

* elected October 2010 in place of Mr Cyril McElhinney (retired)

The Representative Church Body – Report 2011

Dublin and Glendalough	3	Ven David Pierpoint, The Vicarage, 30 Phibsborough Road, Dublin 7 (2012)
	3	Mr Robert Neill, Killegar Park, Enniskerry, Co Wicklow (2013)
	4	Mr Geoffrey Perrin, Barn Close, Ballybrack Road, Shankill, Co Dublin (2011)
Meath and Kildare	3	Ven Leslie Stevenson, The Rectory, Portarlinton, Co Laois (2012)
	1	Mr Ronald Colton, Highfield, Ballyduff, Tullamore, Co Offaly (2013)
	0	Mr Dermot Gillespie, Griffinstown, Dunlavin, Co Wicklow (2011)
Cashel and Ossory	4	Very Rev Leslie Forrest, The Deanery, Ferns, Enniscorthy, Co Wexford (2011)*
	3	Mr Peter Clifton-Brown, Ballinamona House, Cashel, Co Tipperary (2012)
	3	Mr Charles Galloway, Newtown, Waterford (2013)
Cork, Cloyne and Ross	3	Ven Robin Bantry White, Moviddy Rectory, Aherla, Co Cork (2011)
	3	Mr Keith Roberts, Corran, Ferney Road, Carrigaline, Co Cork (2012)
	4	Mr John Stanley, Scart House, Belgooly, Co Cork (2013)
Limerick and Killaloe	4	Ven Robert Warren, St John's Rectory, Ashe Street, Tralee, Co Kerry (2011)
	3	Mrs Lorna Gleasure, Phoenix Farm, Kilflynn, Tralee, Co Kerry (2012)
	2	Mr Roy Benson, Templehollow, Killaloe, Co Clare (2013)

C Co-opted Members (12)

3	Rev Andrew Forster, The Rectory, 26 Circular Road, Dungannon BT71 6BE, Co Tyrone (2011)
2	Mr Terence Forsyth, 3 Hainault Lawn, Dublin 18 (2013)†
2	Mr Samuel Harper, Cramer's Grove, Kilkenny, Co Kilkenny (2011)‡
3	Mr Lyndon MacCann SC, 2 Knapton Terrace, Dun Laoghaire, Co Dublin (2012)
2	Mr Tim McCormick, 24 Dartmouth Walk, Dublin 6 (2011)
3	Mr William Oliver, Exorna House, Castlerock, Co Londonderry BT51 4UA (2011)
2	Mrs Judith Peters, The Deanery, Rosscarbery, Co Cork (2013)†
1	Ms Hilary Prentice, Wayside Cottage, Drummin West, Delgany, Co Wicklow (2012)§
4	Mr Graham Richards, 32 St Alban's Park, Dublin 4 (2012)
4	Mr Henry Saville, 22 Church Road, Boardmills, Lisburn BT27 6UP (2012)
2	Mr David Smith, Knockleigha, Shaw's Bridge, Co Down BT8 8JS (2012)
3	Mr Michael Webb, 2 Mount Salus, Knocknacree Road, Dalkey, Co Dublin (2013)†

The following co-opted members retire in May 2011:

Rev Andrew Forster	Mr William Oliver
Mr Tim McCormick	Mr Samuel Harper

Note Two Honorary Secretaries of the General Synod are in attendance at meetings of the Representative Body.

* retired February 2011

† eligible to attend three meetings maximum due to triennial retirement as co-opted member (re-elected May 2010)

‡ elected September 2010 in place of Mr Patrick Wilson (retired March 2010)

§ elected September 2010 in place of Mr Robert Neill (elected by Dioceses of Dublin and Glendalough 2008)

The Representative Church Body – Report 2011

COMMITTEES OF THE REPRESENTATIVE BODY

The Executive, Allocations, Investment, Property, Stipends, Library and Archives and Legal Advisory Committees are elected from the members of the Representative Body in September each year and their chairpersons are appointed triennially. The Audit Committee is appointed triennially. Membership details, number of meetings held and record of attendances for the year 2010 are shown below.

EXECUTIVE COMMITTEE

(7 meetings)

Mr S Gamble (7)
(Chair)

Mr Sydney Gamble

The Most Rev Alan Harper	(5)	Rev Andrew Forster	(6)
The Most Rev John Neill*	(6)	Ven Cecil Pringle	(6)
The Most Rev Richard Clarke	(6)	Ven Robin Bantry White	(7)
Mr Graham Richards	(6)	Mr Terence Forsyth	(6)
Mr Robert Neill	(6)	Mr Lyndon MacCann SC	(3)
Mr Robert Kay	(5)	Mr Geoffrey Perrin	(6)
Mr Henry Saville	(6)	Mr Michael Webb	(6)

The Executive Committee has an overall responsibility to protect the interests of the Representative Body and its trusts, to consider and, if thought fit, to give approval to the recommendations of the subsidiary committees, to give formal approval to routine property and trust transactions, to formulate legislative proposals and policy for approval, to liaise with other central organisations and dioceses and to deal with all matters affecting the employment and remuneration of staff including specialist appointments where the Representative Body is a party to any contract of employment.

The Archbishops and the Chairpersons of the Allocations, Investment, Property and Stipends Committees are *ex officio* members of the Executive Committee. Mr Samuel Harper attends Executive Committee meetings as an Honorary Secretary of the General Synod.

Prayer read at the commencement of all Executive Committee meetings

“Almighty God, we meet in your presence to exercise stewardship of the resources of this Church. Grant to us a clear mind and judgement in all things, a willingness to seek your will for the Church and an awareness of the trust and responsibility given to us. Guide us with your wisdom and lead us in the paths of truth. This we ask through Jesus Christ, our Lord. Amen.”

* retired January 2011 (The Rt Rev Michael Jackson elected Archbishop of Dublin February 2011)

The Representative Church Body – Report 2011

ALLOCATIONS COMMITTEE

(4 meetings)

Mr Graham Richards (2)
(Chair)

Mr Graham Richards

Rev Andrew Forster	(4)	Mr William Oliver	(3)
The Most Rev Alan Harper	(4)	Mr John Stanley	(4)

The function of the Allocations Committee is to investigate requests for financial support and make recommendations to the Executive Committee or the Representative Body as appropriate, to maintain a 'watching brief' on the use and deployment of resources allocated to committees and organisations including their budgetary procedures and accounting policies, to anticipate financial pressures ahead and plan forward accordingly, to ensure that trust limitations are observed in the use of Representative Body funds and to co-ordinate with other financial bodies (Priorities Fund Committee, Investment Committee, Stipends Committee, Pensions Board etc).

INVESTMENT COMMITTEE

(7 meetings)

Mr Robert Neill (6)
(Chair)

Mr Robert Neill

Mr Lance Dermott	(6)	Mr Tim McCormick	(6)
Mr Terence Forsyth	(5)	Mr David Smith	(6)
Mr Dermot Gillespie	(7)	Mr John Wallace	(4)

The function of the Investment Committee is to oversee the invested funds of the Representative Body and other funds held in trust, to monitor portfolio and investment management performance, to maintain an appropriate level of reserves, to formulate lending policies and approve parochial and glebe loan applications, to advise with regard to investment policy and strategy and generally report to the Executive Committee or to the Representative Body as appropriate.

The Representative Church Body – Report 2011

PROPERTY COMMITTEE

(5 meetings)

Mr Robert Kay (4)
(Chair)

Mr Robert Kay

Mr William Allen	(4)	Very Rev Leslie Forrest*	(5)
Mr Peter Clifton-Brown	(5)	Mrs Jane Leighton	(4)
Mr Ronald Colton	(4)	Ven Donald McLean	(5)
Miss Maud Cunningham	(5)	Mr Keith Roberts	(4)

The function of the Property Committee is to process all matters affecting glebes, churches, parochial buildings and graveyards vested in the Representative Body in accordance with statutory responsibilities as laid down in the *Constitution of the Church of Ireland*, to manage the buildings directly under the control of the Representative Body, to co-ordinate with diocesan see house committees and care for see houses and all residences provided for the use of church officers, to care for all properties assigned by the Representative Body for the use and occupation of retired clergy and surviving spouses, to assist and provide guidance in the planning and disposal of redundant churches and the contents thereof, to provide technical support and advice to parishes and dioceses, to maintain property records and registers and generally to report to the Executive Committee or to the Representative Body as appropriate.

Note: Representatives of the dioceses who are members of the Representative Body are entitled to attend meetings of the Property Committee when relevant diocesan property matters are under consideration.

STIPENDS COMMITTEE

(3 meetings)

Mr Henry Saville (3)
(Chair)

Mr Henry Saville

Mr Roy Benson	(2)	Mr Cyril McElhinney†	(2)
The Rt Rev Paul Colton	(3)	Ven Donald McLean	(3)
Mrs Lorna Gleasure	(3)	Mr Geoffrey Perrin	(3)
Mrs Jane Leighton	(3)	Ven David Pierpoint	(1)

The function of the Stipends Committee is to make recommendations concerning Minimum Approved Stipends, mileage rates for locomotory expenses, and the remuneration, expenses and budgets for the episcopate and other church officers, to monitor changes in taxation and State legislation insofar as clerical remuneration matters are concerned, to investigate and make recommendations in relation to grant aid requests from dioceses for the support of the Ministry and the training of newly ordained clergy, to consult with dioceses and make recommendations to provide for the better maintenance of the Ministry generally, to monitor and report on the implementation of the recommendations of the Clergy Remuneration and Benefits Committee as approved by General Synod in 1990 and report to the Executive Committee or to the Representative Body as appropriate.

* retired February 2011 (Ven Robert Warren elected March 2011)

† retired October 2010 (Mr William Oliver elected December 2010)

The Representative Church Body – Report 2011

LIBRARY AND ARCHIVES COMMITTEE

(3 meetings)

Mr Michael Webb (3)
(Chair)

Mr Michael Webb

The Most Rev Richard Clarke	(2)	Ven Robin Bantry White	(2)
The Rt Rev Michael Jackson	(2)	Rev Canon John Mann	(2)
Advisory Members	–	Mrs Valerie Coghlan	(1)
		– Rev Dr Maurice Elliott	(1)
		– Rev Dr Adrian Empey	(2)
		– Dr Kenneth Milne	(3)

The function of the Library and Archives Committee is to manage the RCB Library and its resources having regard to trusts and objectives, to maintain archives and Church records generally (including records of contents of churches and of church plate), to co-operate with the Theological Institute and Committees using the Library premises and to provide a cost-effective service to the Church and the public at large subject to the approval of the Executive Committee or the Representative Body as appropriate and budget limitations.

LEGAL ADVISORY COMMITTEE

(0 meetings)

Mr Lyndon MacCann SC
(Chair)

Mr Lyndon MacCann

Mr Anthony Aston SC	Mrs Judith Peters
His Honour Judge Gerard Buchanan	Ms Hilary Prentice*
The Hon Mr Justice Declan Budd	Mr John Wilson QC

The function of the Legal Advisory Committee is to advise the Representative Body on any legal or trust matter which the Executive Committee or the Representative Body may properly refer to it.

* elected September 2010 in place of Mr Kenneth Mills SC (retired March 2010)

The Representative Church Body – Report 2011

AUDIT COMMITTEE

(2 meetings)

Mr Robert Neill (2)
(Chair)

Mr Robert Neill

Mr Roy Benson	(2)	Mr William Oliver *	(2)
Mr Henry Saville	(2)		

The Audit Committee's primary function is to assist the Representative Body in fulfilling its oversight responsibilities by reviewing the financial statements, the systems of internal control and the audit process. The Committee meets twice yearly with the auditors, PricewaterhouseCoopers, to review the scope of the audit programme prior to audit, the outcomes for the year when the audit is completed and any issues arising from the audit.

* retired December 2010 (Mr Ben Bradish elected March 2011)

MISSION AND RESPONSIBILITY

The Representative Body, as trustee for the Church of Ireland, strives to operate within a framework of sound practice based on principles of integrity and accountability. Its historic and primary mission is to serve and support the Church's ministry with full legal accountability for its governance of property and financial assets. Over the long term, the Representative Body seeks to manage investments to obtain the best possible return for present and future beneficiaries and to work for improvements in clergy stipends and pensions.

MAIN POINTS

Last year's report referred to a concern that best estimates indicated income levels in 2010 were unlikely to show much improvement. This has proved to be the case.

In 2010, however, a combination of a small increase in income, reducing operating costs and a reduction in net allocations has allowed the deficit on normal activities to be reduced from €751,000 in 2009 to €247,000 in 2010. This outturn on normal activities was achieved through specific support which cannot be relied on into the future.

A special contribution of €5m to the Church of Ireland Clergy Pensions Fund as approved last year was made during the year. Further contributions may be made in the years 2011–2014.

Staff numbers in the RCB are reduced following a voluntary redundancy programme the net costs of which are included in operating costs. The thanks of the Representative Body are expressed to those five members of staff who left during 2010 and to those who will be leaving in coming months.

The Allocations Reserve expressed in euro at the end of 2010 stood at €3.8m, approximately 87% of the cost of 2010 allocations.

Capital values (Total Funds Employed on the Balance Sheet, page 59) at some €463m show a small increase from the prior year, a far cry from the 2007 level of €750m.

The outlook for 2011 continues to remain very challenging especially in the area of matching income with expenditure. The level of regular income is not expected to show significant change and levels of expenditure must continue to be carefully considered.

The sharp drop in worldwide investment incomes over past years continues also to place a strain on the income generating ability of the RB General Unit Trusts (RI) and (NI) (page 26). As a consequence this increasingly places a continuing strain on the financial capabilities of parishes and dioceses.

In pension-related matters, following legislation passed by the General Synod in 2010, the trusteeship of the Church of Ireland Clergy Pensions Fund has with effect from 1 January 2011 been delegated to the new trustee company The Church of Ireland Clergy Pensions Trustee Limited (page 44).

The Representative Church Body – Report 2011

The solvency of the Clergy Pensions Fund continues to be a matter of concern requiring continuing close review (page 43). In light, however, of expected new national legislation on pension funding, no proposals for changes to the Fund are being brought to the General Synod in 2011.

During the year, separate reviews of the levels of Minimum Approved Stipend (page 28) and Pensionable Stipend (page 44) have been undertaken and Bills relating to these reviews are submitted for the consideration of the General Synod.

OPERATING AND FINANCIAL REVIEW 2010

The accounts of the Representative Church Body commence on page 49.

• Commentary

- A) The Revenue Account is shown on page 58 of the *Book of Reports* and is summarised below:

<i>Revenue Account summary</i>	2010 €000	2009 €000
Income	6,373	6,166
Operating costs	(2,630)	(2,543)
	<hr/>	<hr/>
Staff pension scheme net finance	3,743 88	3,623 170
Surplus for the year	<hr/> 3,655	<hr/> 3,453
Allocations net of prior year unexpended	(3,902)	(4,204)
(Deficit) on normal activities	<hr/> (247)	<hr/> (751)
Special contribution to Clergy Pensions Fund	(5,000)	-
Profit on sale of asset	799	-
Net (deficit) for the year	<hr/> (4,448)	<hr/> (751)

- (i) Outturn for the year

The reduction in the deficit on normal activities for the year, from €751,000 to €247,000, is influenced by a small increase in income, a reducing overall level of operating expenses, a reduction in net allocations and also a reduction in the actuarial adjustment to the finance cost of the staff pension scheme. The net charge for allocations has been reduced again in 2010 by generous assistance from the Stipends Fund and the General Synod Royalties Fund, amounting in total to €200,000 (2009 €275,000), and without this the deficit for the year would have been significantly higher. This support cannot be relied on for the future.

The Representative Church Body – Report 2011

The deficit on normal activities is stated after accounting for the net costs of redundancies in 2010 in Church House which amounted to €157,000. It is stated before accounting for a special contribution of €5m to the Church of Ireland Clergy Pensions Fund and a profit of €799,000 recognised in the year on the sale of a property in Northern Ireland.

(ii) Income

Income for the year benefited from a slightly stronger sterling exchange rate against the euro which accounted for half of the increase of 3% in the year. The injection of a sum of €5m into the Church of Ireland Clergy Pensions Fund reduced the value of investment income in 2010 and will impact on 2011 income levels. Similar transfers may be made in the years 2011–2014. Interest rates achievable on deposits remained low in historic terms and in general uninvested cash levels were maintained at low levels.

Indications are that robust growth in income is unlikely to return in 2011, although there is a possibility of a small recovery in interest rates. Exchange rates, particularly the euro:sterling rate, are important to the RCB's overall financial performance reported in euro, and these are volatile.

Appendix A (page 78) shows charts illustrating the sources and application of all the income and expenditure managed by the Representative Body, including trust incomes and disbursements.

(iii) Operating expenditures

The detail of operating expenses is shown on page 69 (note 11) of the *Book of Reports*. Detail of financial and professional costs is shown in the Revenue Account on page 58.

Following a reduction of €285,000 in administration costs in 2009, a further €165,000 has been cut in 2010, making a 13.6% reduction over the two years. Most administrative costs are payroll related and some further savings will be achieved in 2011 as the results of a voluntary redundancy programme in Church House take effect.

Legal income net of legal costs, excluding payroll costs, reflects the fall in property related activity in both jurisdictions and was less by €37,000 (60%) year on year.

The travel cost reimbursements claimed by members of central committees were reduced again in 2010 by €16,000, following a fall of €19,000 in 2009.

Professional fees, shown on the General Fund Revenue Account on page 58, include external professional costs in connection with the General Synod Complaints Procedure and continuing legal and actuarial advice relating to the funding of clergy pensions.

The Representative Church Body – Report 2011

B) Balance Sheet

The net assets shown in the Balance Sheet (page 59) belong to four different funds.

- RCB Funds are the Auxiliary Fund and Sundry Projects Fund, which are available for broadly described RCB and Church purposes, as resolved by the RCB. In previous years these funds have been included as Other Trust Funds and the 2009 balance has been restated.
- The General Funds are those available to be utilised for the purposes of meeting the operating expenditure of the Representative Body and funding for Allocations.
- Pension funds represent the funds employed by the Church of Ireland Clergy Pensions Fund and are dedicated to that purpose.
- Other trust funds generate the investments and deposit income shown in Note 1 to the accounts (page 62) and belong to parishes, dioceses and sundry Church of Ireland trusts.

The breakdown of value between these funds at the year end is shown following:

<i>Balance Sheet summary</i>	2010	2009
	€000	€000
RCB funds	4,708	3,814
General funds	147,498	146,336
Pension funds	110,931	96,957
Other trust funds	200,159	200,898
Balance sheet total	<u>463,296</u>	<u>448,005</u>

Revaluation gains from 2009 were retained and overall funds value in euro terms increased by €15.3m.

Pension funds, being predominantly the Church of Ireland Clergy Pensions Fund, benefited from strong value growth and from the capital injection of €5m from General Funds and the euro denominated value of Pension Funds increased by 14.4%, just under €14m.

The staff pension scheme deficit as measured by the Actuary at the year end, based on financial reporting standards, increased by €43,000 despite an increase of €813,000 in the fair value of scheme assets. The increased deficit is primarily as a result of a decrease in the discount rate applied to scheme liabilities (see note 16 to the accounts).

The Representative Church Body – Report 2011

- **Allocations** (page 58)

Allocations for 2011 are made available from net income and reserves in 2010 and amount to €4.191m (2010 €4.542m). This expenditure in 2011 will help to support the episcopacy and clergy pensions, and finances ministerial training as well as the functions of the General Synod and the Standing Committee.

The net cost of allocations has been relieved by subventions from the Stipends Fund of €25,000 (2010 €200,000) and from the General Synod Royalties Fund of €75,000 (2010 €75,000). These have been offset respectively against the costs of training for the ordained ministry and the costs of the General Synod and the Standing Committee. The Representative Body is grateful to the Committees for this valuable support.

The cost is reduced by €51,000, a large part of the reduction relating to the allocation for 2011 to the Church of Ireland Clergy Pensions Fund which has fallen by €64,559 to €71,698. The allocation to the Clergy Pensions Fund is adjusted as a consequence of the capital injection of €5m from General Funds to the Clergy Pensions Fund in 2010.

Committees of the Standing Committee, the Church of Ireland Theological Institute, the Church of Ireland Youth Department and the RCB Library all have responded very positively to the request of the Allocations Committee for spending restraint in a difficult financial environment.

- **Exceptional items**

The completion of the sale of the property previously occupied by the Education Officer in Northern Ireland generated a substantial surplus. This surplus was reinvested in General Funds net of the cost in 2010 of the voluntary redundancy programme in Church House.

- **General reserves** (page 66)

Reserves are maintained to provide protection against the possibility of being unable to meet commitments for a particular year. The net cost of allocations for 2011 and unexpended allocations for 2010 amounted to €3.902m, which exceeded the surplus of income over expenditure by €90,000. After a transfer of income relating to the staff pension reserve, an amount of €2,000 was transferred from reserves to meet the allocations commitment for 2011. At the year end the value of the allocations reserve expressed in euro was €3.802m which represents 86.6% of the gross euro denominated provision for allocations as shown in the Balance Sheet (2010 85.4%).

At the year end the actuaries of the staff pension scheme assess the comparative solvency of the scheme on a discontinuance basis and the results are set out in detail in note 16. This shows that, at 31 December 2010, the scheme remained in deficit and, primarily as a result of changes in assumptions and in particular the discount rate, the amount of the deficit had increased from €2.252m to €3.195m. This deficit is shown as a long-term liability in the Balance Sheet and reduces the overall value of reserves.

The Representative Church Body – Report 2011

The staff pension scheme was closed to new entrants at 1 January 2007.

- **Currency translation rates**

Year end sterling balances have been translated into euro a rate of €1 = £0.8607 or £1 = €1.1618 (2009: €1 = £0.8881 or £1 = €1.1260).

ALLOCATIONS CHARGED AGAINST THE REVENUE ACCOUNT FOR 2010

- Allocations charged to the General Fund Revenue Account amounted to €4.191m in 2010. Together with this charge, subventions from the Stipends Fund and from the General Synod Royalties Fund totalling €200,000 allow for a total allocation spend in 2011 of €4.391m and this liability is shown in the Balance Sheet.
- The allocations listed below represent net amounts to be allocated after taking into account, where appropriate, income from endowment funds, the episcopal levy and the child protection levy paid by all parishes/dioceses and any other sources of funding which offset the costs of financing ministry and other central commitments.

The Representative Church Body – Report 2011

2011 ALLOCATIONS

	2011		2010		2011		2010	
	€	%	€	%	£	%	£	%
GROUP A								
Episcopal Stipends and Expenses	1,058,898		1,105,922		554,625		546,085	
less Episcopal Levy	(381,386)		(385,298)		(351,107)		(355,238)	
	<u>677,512</u>		<u>720,624</u>		<u>203,518</u>		<u>190,847</u>	
Deans of Residences/University Chaplains	89,273		88,366		120,333		119,882	
Queen's University, Belfast, Bursar	-		-		14,085		14,085	
C of I in Queen's University, Belfast	-		-		2,000		2,000	
C of I in Trinity College, Dublin	3,000		3,000		-		-	
Clerical Relief - Children's Allowances	37,000		37,000		41,500		41,500	
- Discretionary Grants	4,000		4,000		3,000		3,000	
Stipends Related Costs	16,465		21,749		-		-	
St Patrick's Cathedral, Dublin	1,000		1,000		-		-	
	<u>828,250</u>	31.9	<u>875,739</u>	29.1	<u>384,436</u>	28.1	<u>371,314</u>	27.3
GROUP B								
Clergy Pensions Fund	285,706		559,986		504,363		511,786	
Supplemental Fund Benefits								
- Retired Clergy, Surviving Spouses	43,846		11,972		3,064		1,025	
Discretionary Grants								
- Retired Clergy	-		-		13,000		13,000	
- Surviving Spouses	-		-		8,500		8,500	
	<u>329,552</u>	12.7	<u>571,958</u>	19.0	<u>528,427</u>	38.6	<u>534,311</u>	39.3
GROUP C								
Training of Ordinands	480,248		511,660		-		-	
Theological Institute	707,000		745,535		-		-	
Ministry formation project	-		30,000		4,000		-	
Stipends Fund	(125,000)		(200,000)		-		-	
Bishops' Selection Conference	20,000		28,000		-		-	
	<u>1,082,248</u>	41.6	<u>1,115,195</u>	37.0	<u>4,000</u>	0.3	<u>-</u>	0.0
GROUP D								
General Synod/Standing Committee	352,502		405,039		205,651		209,401	
Royalties fund	(75,000)		(75,000)		-		-	
Board of Education	55,974		67,137		66,479		43,681	
Church of Ireland Youth Department	-		-		160,000		180,000	
Child Protection Officers	26,500		26,500		20,000		20,000	
	<u>359,976</u>	13.8	<u>423,676</u>	14.1	<u>452,130</u>	33.0	<u>453,082</u>	33.4
GROUP E								
RCB Library	-		25,000		-		-	
Regular Sunday Services in Irish	500		500		-		-	
	<u>500</u>	0.0	<u>25,500</u>	0.8	<u>-</u>	0.0	<u>-</u>	0.0
	<u>2,600,526</u>	100	<u>3,012,068</u>	100	<u>1,368,993</u>	100	<u>1,358,707</u>	100

The Representative Church Body – Report 2011

Summary of allocations expressed in euro as per General Fund Revenue Statement:

	2011		2010	
	€	%	€	%
A - Maintenance of the Stipendiary Ministry	1,274,904	30.4	1,293,838	28.5
B - Pension related costs	943,502	22.5	1,173,592	25.8
C - Training of Ordinands	1,086,895	26.0	1,115,195	24.5
D - General Synod Activities	885,281	21.1	933,846	20.6
E - Miscellaneous	500	-	25,500	0.6
	<u>4,191,082</u>		<u>4,541,971</u>	

• **Commentary**

Group A - Maintenance of the Stipendiary Ministry - €1,274,904

The funding of episcopal stipends and expenses is the major part of this allocations cost, at €13,968 (2010 €35,518) and 72% of the total (2010 72%). The figure includes office costs, secretarial and travel expenses, financing costs for See Houses as well as stipends, pension funding and employer's state contributions.

The dioceses contribute towards the costs of the episcopacy through a levy which is based on the number of cures and a percentage of a minimum approved stipend per cure. The levy has been maintained at 5.4% of a minimum approved stipend per cure since 2008 and this is budgeted to realise the equivalent of €789,318, which is 46% of the total cost of funding the episcopacy (2010 46%). For 2011 the diocesan levy is €1,377 and €1,956 per cure (2010 €1,377 and €1,956).

The total cost of the episcopacy is budgeted at €1.703m (2010 €1.721m).

In 2010 the actual cost of the episcopacy was reduced from the budgeted level by an underspend of €71,000, which is included in the figure for unexpended allocations on the Revenue Account.

A more detailed breakdown of Episcopal costs is shown on page 30.

Other amounts included in group 'A' support the provision of university deans of residence and child and discretionary allowances paid to the clergy.

Group B - Pension related costs - €943,502

As noted, the corollary of a capital injection of €5m into the Church of Ireland Clergy Pensions Fund from General Funds in 2010 is a reduction of €250,000 in the allocation to the Fund for 2011, this representing the increase in earning power transferred to the Fund. A stronger sterling exchange rate applied to sterling pension allocations, and small increases in some supplementary payments, limit the reduction in the total contribution to pension related costs to €230,000.

The Representative Church Body – Report 2011

Group C - Training of Ordinands - €1,086,895

The overall cost of training for the ministry in 2011 is expected to show a decrease from the level in 2010, as the transition costs from the old to the new course work through the system, as a result of lower numbers in the institute in 2010/11 and through the efforts of the staff to suppress unnecessary cost. The total is again aided through a subvention from the Stipends Fund of €125,000 (2010 €200,000). This level of support from the Stipends Fund is most welcome but cannot be guaranteed for subsequent years.

In total the provision is €1.087m (2010 €1.115m). The main elements are the amount provided to pay for the upkeep of the Church of Ireland Theological Institute and the amount provided to pay for grants to ordinands in training and in relation to external academic costs arising. The costs of developing the ministry training programme are much reduced to €4,647 from €30,000 in 2010.

The cost of the upkeep of the Institute is that expected for the academic year 2011/2012 and shows costs being contained to €707,000 (2010 €745,535).

The Training of Ordinands provision shows the cost relating to grants for students, their accommodation costs and the fees paid in respect of Trinity College Dublin and outside lecturers. Married students in 2010/11 receive a personal grant of €7,700 (€7,700) and the single grant is €4,400 (€4,400). There are also grant allowances made for dependent children.

The academic year 2011/12 will see students in all three years of the new course and the third year students based in parishes with training rectors, and this will be the first typical year of cost relating to the MTh course.

Extracts from the accounts of the Church of Ireland Theological Institute are included as Appendix B (page 79).

Group D - General Synod Activities - €885,281

This allocation includes provision for the General Synod and the Standing Committee, the Boards of Education and the Church of Ireland Youth Department, as well as amounts for the centrally funded portion of the costs relating to Child Protection Officers.

The effort in 2010 to restrain spending levels has been maintained for 2011, resulting in further reductions in allocations for the Standing Committee and the General Synod and for the Church of Ireland Youth Department.

The ability to offset relevant interest earned against the costs of the Board of Education in Northern Ireland was reduced in 2010 and will not arise in 2011, giving rise to an increase in net costs, but not in the gross allocation. The net cost of the Board of Education in the Republic of Ireland is supported by a grant from the Department of Education for which the Representative Body on behalf of the Church of Ireland wishes to record its gratitude.

Total cost for this group of allocations is reduced by €48,565 or 5% against 2010. The allocation proposed for the Church of Ireland Youth Department is €160,000 (2010 €180,000).

The Representative Church Body – Report 2011

Group E - Miscellaneous - €500

No allocation is this year being made to the RCB Library as it has been indicated that for 2011 unexpended funds from allocations and other donations will be sufficient to provide for the purchase of new books and provision for the conservation of books, documents and paintings. The running costs of the Library are a component of RCB operating expenses.

INVESTMENTS AND MARKETS

- Valuations of the various portfolios and comparative figures at year end were as follows:

Portfolio	Valuations (millions)		Total returns (weighted ¹)	
	2010	2009	2010	2009
<i>General Funds/Reserves</i>				
UK and Foreign ²	€123.41	€119.89	12.2%	24.8%
Ireland and Europe	€18.60	€19.77	-4.7%	14.3%
Allocations Reserve ³	€3.78	€4.85	-2.5%	11.0%
<i>Clergy Pensions Fund</i> ²	€107.73	€93.89	11.3%	24.7%
<i>Specific Trusts</i>				
RB General Unit Trust (RI)	€137.57	€138.77	2.4%	22.8%
RB General Unit Trust (NI)	£34.72	£31.91	11.6%	18.6%

The market value of the portfolios (expressed in euro) increased over the year from €12.52m (translated at €1 =£0.8881) to €430.87m (translated at €1 =£0.8607).

Total return performances of relevant equity and bond market Indices in 2010 were:

Ireland (ISEQ)	-0.1%	DJ Eurostoxx 50	-2.0% ⁴
US (S&P Composite)	15.1%	UK (FTSE 100)	12.7%
ISEQ Bond Index	-13.8%	FTSE All UK Gilts	7.2%

Five year fund performance figures are included as Appendix C (page 81).

- **Ireland**

The health of the Irish economy remained in a perilous state in 2010, although there was emerging evidence to suggest that the precipitous decline in economic activity in 2008 (-3.5%) and 2009 (-7.6%) started to show some signs of levelling out. The Irish economy emerged from recession in the first quarter 2010 with GDP growth of 2.2%. The recovery in the Irish economy is being driven by exports, while domestic demand is still weak. Consumer confidence remains fragile against a background of ongoing job losses and downward pressure on disposable incomes with further pressures to come as austerity measures announced in the national budget 2011 take effect.

¹ Adjusted for the effect of cash inflows and outflows in the year.

² €5m was transferred from General Funds to the Clergy Pensions Fund during 2010.

³ €753,000 was withdrawn from the Reserve for 2009.

⁴ Net of Dividend Withholding Tax.

The Representative Church Body – Report 2011

The Irish government bond market came under strain as concerns mounted regarding the level of funding required to recapitalise the Irish banking system. The potential impact of the banking system on the state finances eventually proved too much for the Irish Sovereign as 10 year yields rose to over 9% and Ireland agreed to an €85bn EU/IMF bailout in November which was hoped would prevent contagion from spreading to other peripheral EU countries.

Ireland's debt/GDP ratio is estimated at 95% of GDP at end 2010. It is projected to peak at 102.5% of GDP by 2014. Without the cost of the banking rescue, the ratio would have been closer to 75%. There are significant risks that the debt level could go higher should the cost of the banking bailout rise further or if economic growth comes in below forecasts. High levels of private sector debt and potential mortgage arrears/defaults remain a risk for the banking sector. To date capital injections in the banking system have failed to ease access to credit and this remains a risk to growth in 2011.

On a positive note Ireland's wages and other costs in the Irish economy have fallen resulting in an improvement in competitiveness. The economy is undergoing a rebalancing away from its previous over reliance on the construction sector towards more sustainable export-orientated activity.

The Irish equity market fell by 3% in 2010, with the ISEQ Financials Index plummeting by 61% on revised capital targets, higher core capital requirements and higher state ownership levels than previously envisaged (over 90% in the case of AIB). Irish Government bonds also impacted portfolio returns with the ISEQ Bond Index falling by 18.4% over the 12 months on fears of a restructuring and/or bailout.

- **UK**

The UK economy proved more resilient than its Irish and European counterparts in 2010. Having emerged from recession in the fourth quarter of 2009, growth momentum surprised on the upside in 2010, with GDP for the full year coming in at circa 1.7%. However, Q4 was a good deal weaker than anticipated, partly as a result of poor weather. Construction output in particular outperformed but this level of support is unlikely to continue with expenditure on public sector construction set to fall sharply. The UK economy is expected to expand by 2% in 2011.

Corporate sector balance sheets are less stretched than households and the public sector. In what is a scarce yield environment and low deposit interest rates, demand for dividend paying stocks and corporate bonds should remain strong. It is envisaged that companies (in certain sectors) may begin to make cash returns to shareholders, implement share buyback programmes and renew emphasis on dividend growth (albeit off a low base).

The UK equity market rose by 9% in capital terms (12.6% in euro terms) over the twelve months (following a 22% gain in 2009). Industrial and mining companies performed strongly as did select utilities, oil and gas stocks and chemical companies. Retail and pharmaceutical sectors underperformed and on an individual level, BP's share price fell heavily (22%) following an oil spill in the Gulf of Mexico in April 2010 and potential clean up costs arising from the incident.

The Representative Church Body – Report 2011

- **Continental Europe**

The Eurozone economy did reasonably well in 2010 with overall growth projected to come in at 1.7% (ahead of expectations). However, growth was driven by Germany (GDP growth of 3.3%) and the other Northern European economies such as France and the Netherlands, whilst economic growth in Italy remains muted and Spain is estimated to have contracted by 0.3% over the year.

News flow in Europe was dominated by the escalating sovereign debt crisis which has resulted in surging refinancing costs, plunging credit quality and a host of ratings downgrades amongst the Eurozone's most vulnerable sovereigns. Austerity measures have had to be implemented across various European economies to combat burgeoning deficits with associated repercussions for the consumer in terms of reduced government spending and the prospect of higher taxes. The crisis has increased borrowing costs and resulted in pressure on the euro which fell by 8% versus sterling and by 10% against the US dollar over the twelve months to 31 December 2010. Unease has been further compounded by speculation that from 2013 euro bonds may contain clauses permitting payment conditions (coupon and/or capital) to be altered during any future crisis.

Sovereign risk has created renewed tensions in bank funding markets and calls for further capital adequacy requirements and stress testing in the banking sector which is reflected in the underperformance of the European banking sector versus the broader index over the period. European equities underperformed most global markets over the year and were one of the few global markets to experience a negative capital return with the Dow Jones EuroStoxx 50 falling by 5.8% in 2010. This masks the significant variability of returns within the index at both a sectoral and individual stock level where returns ranged from +85% to -38%.

- **Outlook for 2011**

It is expected that corporate earnings will remain strong in 2011 and with data indicating that we are presently at the early to mid point of the current cyclical bull market, equity market returns should be positive for the year. Macroeconomic conditions such as sustained geopolitical tensions or a worsening of the European sovereign debt have the potential to derail such an outcome. Additionally, persistently high unemployment, government spending cuts and subdued private consumption are likely to continue to drag on growth in developed economies. Interest rates should remain low into 2011, which will support continued growth.

- **Socially Responsible Investment (SRI) Review**

In 2010, the Investment Committee monitored and carried out its annual SRI assessment of individual stock holdings within the various portfolios and excluded stocks where it was deemed appropriate. In December 2010, the Investment Committee reported to the Representative Body that it was satisfied that the investment managers are sensitive to the Church's concerns and expectations with regard to ethical and socially responsible investment. The report is included as Appendix D and is unchanged from the previous year (page 82).

The Representative Church Body – Report 2011

- **Income**

The Representative Body's General Funds and General Reserves investment income for 2010 was up 3% on 2009. A stabilisation in corporate dividends was seen in 2010 with some companies reinstating their dividends while others announced modest increases. While 2011 is likely to provide a further modest uplift to income, ongoing uncertainty surrounding issues like sovereign debt, fiscal austerity measures and ongoing weakness in consumer demand in developed economies are liable to result in corporate caution regarding shareholder distributions. Additionally, stock specific issues similar to those that befell BP in 2010 remain a risk to General Funds income levels and unit trust distributions. Greater international diversification within portfolios should help portfolio income.

- **Unit Trusts**

Extracts from the financial statements of the two RB General Unit Trusts for the year ended 30 June 2010 are included as Appendix E (page 84).

Distribution rates for the RB General Unit Trust (RI) were once again lower in 2010 despite drawing further on the dividend equalisation reserve, while the RB General Unit Trust (NI) distribution was marginally reduced for the first time during 2010.

- **Asset Management**

Over the years, the general investment policy or strategy for in-house managed funds has been to focus on long-term capital and income growth and to seek to optimise the long-term total return for the Representative Body and its trust beneficiaries. As noted last year, the weighting to bonds for in-house funds and in particular General Funds was increased in early 2009 to stabilise income during the financial crisis. However, towards the end of 2010 it was decided to gradually return the asset allocation back towards equities in order to ensure that the Funds' longer term capital and income growth objectives are achieved and this process is expected to continue during 2011.

The UK and Foreign section of the General Funds is managed from London by Lazard Asset Management.

The Church of Ireland Clergy Pensions Fund is invested passively with Irish Life Investment Managers. A Statement of Investment Policy Principles (SIPP) sets out the Trustee's investment policy for the management of the assets of the Clergy Pensions Fund. A copy of the SIPP is included as Appendix F (page 105). (Information relating to the investments for the Clergy Pensions Fund may be found in the Financial Statements which form part of the report of the Church of Ireland Pensions Board beginning on page 117).

The RB General Unit Trusts (and a portion of the General Funds) portfolios are managed by the staff of the Representative Body's investment department reporting to the Investment Committee.

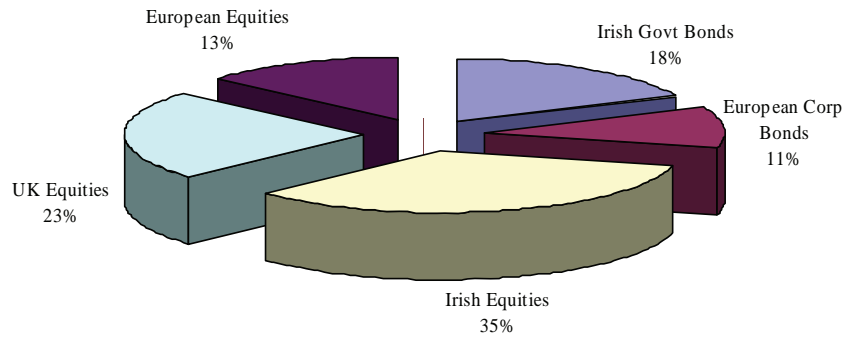
The Investment Committee meets with its external managers on a regular basis to review policy, performance and investment strategy.

The Representative Church Body – Report 2011

GENERAL FUNDS PORTFOLIO BY GEOGRAPHICAL AND ASSET CATEGORIES – 31 DECEMBER 2010

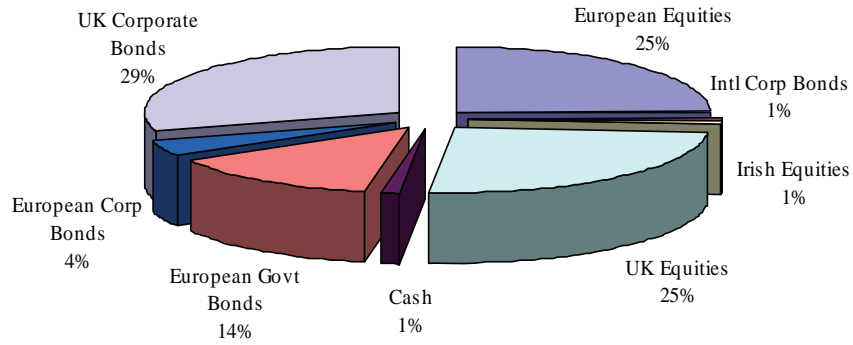
Under in-house management

€18.6m



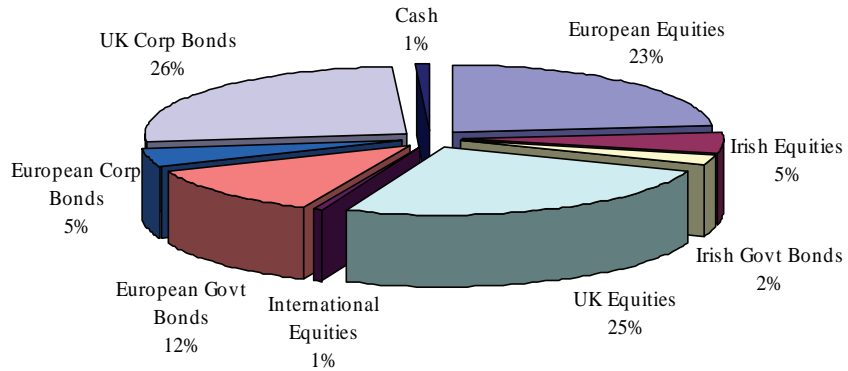
Under Lazard management

€23.4m (£106.2m)



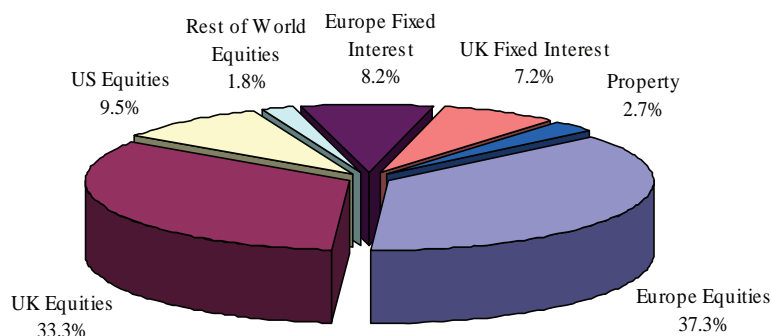
Combined portfolio

€142m



CLERGY PENSIONS FUND PORTFOLIO BY GEOGRAPHICAL AND ASSET CATEGORIES – 31 DECEMBER 2010

Combined Value:	€107.7m
Irish Sub-Division Value:	€53.4m
UK Sub-Division Value:	€54.3m (£46.7m)



CLERGY REMUNERATION AND BENEFITS

• **Minimum Approved Stipends (MAS) 2012**

As indicated in the report of the Representative Body to the General Synod in 2010 a review of the timing and implementation of the annual review of Minimum Approved Stipends (MAS) was to be undertaken due to consistent concerns having been raised at how changing economic circumstances can make decisions on MAS levels appear to be out of date by the time they are implemented.

The following proposal for a revised timing and process for arriving at MAS levels has been approved by the Representative Body and the Standing Committee of the General Synod:

- statistical data to 30 June to be used;
- Stipends Committee to meet in late August / early September to consider MAS levels for the following January;
- Executive Committee to consider the recommendation of the Stipends Committee and make a proposal to the September meeting of the Representative Body;
- September meeting of the Representative Body (to be held in morning) to consider the proposal of the Executive Committee and make a recommendation to the Standing Committee of the General Synod;

The Representative Church Body – Report 2011

- September meeting of the Standing Committee (to be held in afternoon) to ratify, on behalf of the General Synod, the recommendation of the Representative Body;
- MAS to be implemented in the following January;
- MAS as implemented in January to be reported to the General Synod in that year.

An amendment to Section 51(1) of Chapter IV of the *Constitution of the Church of Ireland* will be necessary to enable the Standing Committee to determine MAS levels on behalf of the General Synod. (Details of the proposed legislation are included in the Bill Pamphlet circulated to members of the General Synod in 2011.)

In the event that the proposed legislation fails it will be necessary to have a resolution in place for stipend levels from 1 January 2012.

Republic of Ireland – In reviewing the cumulative percentage figures of comparison data for the previous ten years the movement in MAS is broadly in line with increases in earning comparators and well ahead of cumulative Consumer Price Index (CPI) to December 2010.

Northern Ireland – For the ten years to December 2010 the cumulative percentage figures for Retail Price Index (RPI), teachers' salary scales, Church of England recommended stipends and average earnings reflect increases ahead of the comparative MAS cumulative percentage. Whereas MAS has remained static for 2010 and 2011 the Church of England has awarded increases. Furthermore, RPI for the year to 31 December 2010 was running at 4.8% and average earnings increases for the same period were between 1.9% and 2.3%.

In the event of the legislation passing, a reassessment of the most up-to-date data will be undertaken in early September 2011 and recommendations in relation to MAS for 2012 will be brought by the Representative Body for approval by the Standing Committee in September.

The following minimum stipends are recommended for approval by the General Synod to take effect from 1 January 2012, should legislation fail. The recommended levels reflect no change in the Republic of Ireland and a 2% increase in Northern Ireland levels:

	2012 (recommended)	2011
Northern Ireland	£26,008	£25,498
Republic of Ireland	€36,219	€36,219

The Representative Church Body – Report 2011

• **Episcopal costs**

The breakdown of total Episcopal costs is summarised as follows:

	Republic of Ireland		Northern Ireland	
	€ 2011	€ 2010	£ 2011	£ 2010
(1) Stipends together with state insurance costs	491,532	492,194	268,141	268,320
(2) Pension costs	175,800	215,512	62,622	63,790
(3) Offices of the Sees expenses	328,197	328,197	174,406	169,844
(4) See Houses and other costs	243,874	263,552	133,428	133,080
Totals (gross)	1,239,403	1,299,455	638,597	635,034
(5) Less endowment income	(207,594)	(220,622)	(61,627)	(65,071)
Totals (net of income)	1,031,809	1,078,833	576,970	569,963

Note: Amounts are denominated in the currency relating to the jurisdiction of the See. For allocations purposes, amounts are denominated in the currency in which expenditure will occur.

Notes relating to the figures above:

- (1) Gross stipend and employer's state insurance contribution.
(ie costs that relate to the bishops on a personal basis)

Stipends are multiples of minimum approved stipends as follows:

Archbishop of Armagh	2.45
Archbishop of Dublin	2.25
All Bishops	1.75

- (2) Clergy Pensions Fund contribution.
(ie actuarially calculated contributions to episcopal pension costs)
- (3) Secretarial and office services and allowances relating to expenses of travel and hospitality.
(ie costs that relate to the running of the office of the See)
- (4) Heating, grounds and house maintenance, insurance and service charges, secretary to the House of Bishops.
(ie property maintenance and other costs that are shared across all the Episcopacies)
- (5) Income from investments and rent of See House lands.

The Representative Church Body – Report 2011

• **Locomotory Allowances 2011**

The approved locomotory allowances for 2011 are based on public service rates for Northern Ireland as at 1 April 2010 and Revenue approved civil service rates for the Republic of Ireland as at 1 July 2008, as follows:

		Northern Ireland
Per mile:	first 8,500 miles	65.00p
	over 8,500 miles	16.40p
		Republic of Ireland
Per km:	first 6,437 km	78.76c
	over 6,437 km	37.94c

Locomotory allowances have historically been benchmarked against civil service rates of allowances in the Republic of Ireland and public service rates in Northern Ireland.

As reported to the General Synod in 2010, the Government in the Republic of Ireland significantly reduced the civil service rates of allowances in 2009. However, in view of the extent to which the locomotory allowance forms part of the total remuneration package for clergy, it was agreed in 2009 that the rate for 2010 should remain at the rate applicable prior to the reduction in civil service rates. In 2010 it was agreed to maintain this same locomotory allowance rate for 2011 despite civil service rates remaining at their reduced level.

The Northern Ireland public service rates applicable from 1 April 2010 moved significantly upwards (by approximately 10%) from the rates approved by the Representative Body in 2009 for the year 2010. It was agreed to adopt the revised Northern Ireland public service rates from 1 January 2011.

• **Children’s Allowances 2010/2011**

The Children’s Allowances Scheme is designed to assist clergy and surviving spouses with the cost of secondary school education or higher level education leading to primary qualifications including certificate, diploma and degree.

Grants are paid on a *per capita* basis, without any form of means test, in respect of each child as follows:

	Academic year starting 1 September 2010	
	Republic of Ireland	Northern Ireland
Over 11 attending secondary school	€600	£100
Third level students (up to age 23)	€300	£400
Eligible orphans	€600	£400

Grants may be paid in respect of a child under 11 years of age where that child is in residence at a boarding school or, in exceptional cases, in respect of a student who may be over age 23. In either case, grants are at the sole discretion of the Representative Body.

Grants are also available from other sources eg Clergy Daughters, Secondary Education Committee (Republic of Ireland only), Clergy Sons and Jubilee Fund (both under the management of Protestant Aid).

The Representative Church Body – Report 2011

- **Clergy Car Loans**

Car loans for clergy are available from the Representative Body in accordance with the following formula, linked to the statutory Minimum Approved Stipend (MAS):

	New Cars	Used Cars
Maximum loan	MAS x 2/3	MAS x 1/2
Maximum term	4 years	3 years
Interest rate per annum	8%	8%

This ratio of maximum loan to minimum stipend is designed to maintain a reasonable relationship between borrowing capacity and ability to pay. At 31 December 2010 there were 66 loans outstanding with a total value of €496,000.

- **Central Church Fund – Removal (relocation) Grants**

Grant assistance is available to clergy towards the cost of moving household belongings to/from a rectory/curatage on a new appointment or retirement. Grants are generally not made to any one individual more frequently than at a three year interval other than in exceptional circumstances or on appointment as a Dean or Bishop/Archbishop.

The approved level for an individual relocation grant is limited to 2/3 of actual cost and is subject to a maximum of €4,000 or £2,000 in the case of moves within the island. In the case of moves to the island the maximums are €5,000 and £4,000.

With prior approval an equivalent grant amount may be paid towards the procurement of furniture in lieu of the cost of a move into the island. Claims for such grants must be supported by receipted documentation.

- **Chaplaincy Provision to Third Level Educational Institutions**

The policy for chaplaincy funding adopted in 2004 was reviewed in 2010. The policy states:

“Where a proposal arises to employ a full time chaplain at a third level educational institution and commitments have been received from other sources to fund at least two thirds of employer’s costs, the RCB will consider funding up to one third of employer’s costs, being not more than one half of the Minimum Approved Stipend in force at the time.”

This policy is based on the premise that funding support should be for part funding of full-time chaplains and not funding of part-time chaplains.

The review concluded that this policy is still the most appropriate under current circumstances.

PROPERTY AND TRUSTS

- **General**

The Heritage Council has offered grants each year since 1998 to support heritage projects nationwide but cutbacks in Government spending have resulted in the Heritage Council announcing that it is to suffer a 28% cut to its budget in 2011. This is on top of a 30% cut in 2010 and as a result there is not sufficient funding to support all three grant schemes (Heritage Management, Heritage Research and Heritage Education, Community and Outreach). This budget reduction means the Heritage Council has to give priority to projects that support capital works to heritage under threat and creation of employment through the Heritage Management Grant Scheme. There will be limited funding available for significant places of public worship, large-scale projects and conservation plan led projects. The significantly reduced funding will impact particularly on church conservation projects. The Heritage Council is not in a position to fund projects under the Heritage Research Scheme in 2011 and this will affect the funding for the Survey of Stained Glass Windows in the Church of Ireland.

Residential property prices in the Republic of Ireland and Northern Ireland continued to fall during 2010. While prices are not falling at the rapid rate seen during the recent slump, the current lack of confidence in the market due to public spending cuts, high unemployment, reduced take-home incomes, the continuing scarcity of finance and speculation that interest rates may rise, give little optimism for anything other than a sluggish and uncertain property market for 2011. The income that can be obtained from rented property has been adversely affected in many areas due to high emigration and oversupply, particularly outside of the major cities.

- **Roles and Responsibilities**

As the legal owner of the vast majority of Church of Ireland properties held in trust for the Church, the Representative Church Body has both a statutory function as laid down in Chapter X of the *Constitution of the Church of Ireland* and a general duty of care under the common law. Property transactions by their nature involve strategic, technical and legal issues which must be considered in great detail and processed with accuracy and technical certainty. The procedure for dealing with Church property may appear cumbersome and bureaucratic from time to time, given the chain of decision making from Select Vestry through Diocesan Council and finally by the Representative Church Body in its corporate legal role. However, this is a consistent, careful and transparent process which reflects this duty of care to past, present and future generations and the legal responsibilities of trustees and custodians.

- **Title and Contract Issues**

Timely notification of potential property transactions taking account of the time which can elapse for procedural reasons is always helpful especially where a title, underlying trust, covenant or mapping problem emerges on investigation. It is important too that no implied contracts are entered into between local parish representatives and contractors or developers prior to formal approvals being given by the Representative Body and all legal formalities having been observed.

The Representative Church Body – Report 2011

- **Church Fabric Fund**

The Church Fabric Fund (*Constitution of the Church of Ireland*, Chapter X Part IV) is held by the Representative Body to make grants to defray “the costs, in whole or in part, of restoration or repair of the fabric of any Church or Chapel, if same is vested in it, and it is satisfied that it is in use and certified by the Diocesan Council to be essential for worship by the Church of Ireland”. The Fund was established in 1930 and has grown from the allocation of a minimum of 20% of the net proceeds arising from the majority of churches sold to a capital fund of €4,854,828 and £514,741. Grants of €77,025 and £117,850 were allocated by the RCB from the income of the Fund on the recommendation of the Primate in 2010. Applications for grants, subject to criteria, are considered in March and October (details/application form from Church of Ireland House, Dublin). A list of grants allocated during 2010 is included as Appendix G (page 110).

- **Marshal Beresford Fund**

Grants of €63,425 and £38,775 for repairs to Churches were made from the Beresford Fund in 2010. The allocation of this income, in accordance with the trusts, is made by the Archbishop of Armagh on behalf of the Trustees of the Fund. Grants are allocated in conjunction with the recommendations for grant assistance from the Church Fabric Fund. (Details/application form from Church of Ireland House, Dublin.)

- **The See House, Armagh**

Following the granting of Planning Permission for a new See House at Cathedral Hill, Armagh and a tender process for the construction project, work commenced on the site in November 2010 with completion scheduled for December 2011.

- **The See House, Kilmore, Cavan**

Plans for the proposed new See House at Kilmore, Cavan were approved by the Representative Church Body in December 2009. It was intended to submit a planning application in early 2010 for the project but the application was delayed due to the issuing of new draft Planning Guidelines to Local Authorities by the Department of the Environment Heritage and Local Government, which resulted in amendments being necessary to the plans. Following a number of discussions with the Local Authority planners, it is now hoped to submit the Application for Planning Permission in March 2011.

- **Stained Glass (surveys)**

The professional survey of stained glass windows in the Church of Ireland by Dr David Lawrence, an expert in stained glass, has resulted in surveys in St Patrick’s Cathedral Dublin, Christ Church Cathedral Dublin, the Dioceses of Cork, Cloyne and Ross (including St Fin Barre’s Cathedral), Clogher, Derry and Raphoe, Meath and Kildare, Cashel and Ossory, Ferns, Tuam, Killala and Achonry, Dublin and Glendalough, Kilmore, Elphin and Ardagh, Limerick, Ardfert, Aghadoe, Killaloe, Clonfert, Kilmacduagh and Emly. It is planned to embark on the fieldwork and photography in the Diocese of Armagh during 2011.

The Representative Church Body – Report 2011

To date funding of €230,842 has been received from the Heritage Council towards the project. The Representative Church Body is grateful for the generous ongoing support of the Heritage Council for this important work and has itself contributed €63,885 towards the project over the past ten years.

The Stained Glass Database (Gloine) which was launched in April 2008 has now been made widely available on the internet at www.gloine.ie. The database enables the user to search by diocese, church, artist, studio, religious subject matter and date.

- **Churchyard and Graveyard Walls**

Potentially serious financial loss to parishes due to ageing walls surrounding churchyards and graveyards was again evident in 2010. Parishes are strongly advised to inspect walls regularly, to seek technical advice and to carry out preventative maintenance where possible. Parishes should be vigilant when any form of development takes place on adjoining or adjacent sites and ensure that buttresses, foundations and other supporting structures are not interfered with to the detriment of the churchyard or graveyard walls.

- **Insurance**

Where church premises are occupied by a third party under a lease or licence agreement, it is obligatory that parishes obtain written confirmation from the insurance company of the occupant that they have a policy of public liability insurance in place. Parishes should not enter into arrangements with third parties to receive contributions towards public liability insurance costs, unless such arrangement has been discussed with and has received the sanction in writing of their insurance company.

It is imperative that parishes ensure all graveyards in their care are adequately covered by a policy of public liability insurance.

A circular concerning the matter of parish insurance policies was issued recently to all parishes in the Republic of Ireland and Northern Ireland following advice from the Representative Church Body's insurance advisors.

- **Safety and Parish Premises**

The attention of select vestries is drawn to current health and safety legislation in the Republic of Ireland and Northern Ireland, particularly in relation to the 'occupier's' duty of care to visitors and recreational users of church property. It is imperative that each parish should have a formal Health and Safety Statement and that parish premises should meet the required standards.

- **Energy Performance of Buildings - European Communities Regulations 2006**

Northern Ireland (Energy Performance Certificate) and Republic of Ireland (Building Energy Rating Certificate)

Section 7 of the European Communities Energy Performance of Buildings Directive (EPBD) requires that, when a building is constructed, sold or rented, a Certificate detailing its energy consumption must be made available to the prospective purchasers or tenants. These certificates in Northern Ireland are called *Performance Energy Certificates* and in the Republic of Ireland *Building Energy Rating Certificates*.

The Representative Church Body – Report 2011

From 1 January 2009 all new and existing domestic dwellings, regardless of age must have an Energy Performance/Rating Certificate when being offered for sale or rent.

Energy Performance or Building Energy Rating Certificates are not required for the following:

- Places of Worship;
- Protected Structures/National Monuments;
- Buildings used for the purpose of carrying out religious activities;
- Temporary buildings and certain non-habitable agricultural and industrial buildings with low energy demand;
- Stand alone buildings with a useful floor area of less than 50 m² ;
- If a building is to be demolished after sale.

The Certificate, when issued, will cover a property for a period of 10 years.

It is the responsibility of parishes to arrange for *Energy Performance Certificates* or *Building Energy Rating Certificates* to be obtained where required.

- **National Heritage Memorial Fund Grants (Northern Ireland)**

Parishes in Northern Ireland may make application to the National Heritage Memorial Fund for a grant to assist in the preservation and maintenance of a church. The Church of Ireland has benefited considerably from such grants in recent years. The project must be seen as being of particular importance to the national heritage. Conditions applying to the terms of the grant include a requirement that the church building must be open for 40 days a year, apart from Sundays. Additionally, it should be ensured that the church will remain viable for a considerable period as there is a ten year clawback period in respect of the grant. Formal approval must be sought from the relevant Diocesan Council and the Representative Body before an agreement may be entered into in respect of a grant.

- **Listed Places of Worship Grant Scheme (Northern Ireland)**

The Listed Places of Worship Grant Scheme returns, in grant aid, all or part of the actual amount spent on VAT on eligible repairs to listed places of worship. It is designed to assist the repair of places of worship where the costs would be the responsibility of a local congregation or a recognised denomination or faith group. The building must be used as a place of worship at least six times a year.

The Scheme:

- applies only to repairs and maintenance to listed buildings that are used principally as places of worship;
- applies to listed places of worship throughout the UK which are included on the public registers of listed buildings;

The Representative Church Body – Report 2011

- applies to listed places of worship owned by or vested in specified organisations which look after redundant churches;
- is non-discretionary;
- covers work carried out on and after 1 April 2001;
- only accepts applications made in arrears.

It should be noted that the amount of VAT returned is determined by the date of the repair works:

- Eligible works carried out **between 1 April 2001 and 31 March 2004** will receive the difference between 5% and the actual amount of VAT paid.
- Eligible works carried out **on or after 1 April 2004** can reclaim the full amount of VAT paid.

It has been announced that funding for listed places of worship will continue for a further 4 years from April 2011 and the following points should be noted:

- To make the scheme ‘financially sustainable’ the terms have already been tightened (with effect from 4 January 2011) by removing the eligibility of professional fees and repairs to clocks, pews, bells and organs.
- There will be an annual fixed maximum budget of £12 million from the Department for Culture, Media and Sport. The Department intends to discuss with faith groups and denominations how the scheme can best operate within that budget. Further announcements will be made in due course.
- The way the scheme works will be reviewed so it can be managed in the most simple and un-bureaucratic way possible in order to stay within the budget cap that has already been announced.
- The last date for receipt of applications under the current arrangements (ie the tightened ones) will be 31 March 2011.
- Following the increase of VAT to 20% from 4 January 2011, it has been confirmed that the current scheme will continue to refund up to the full VAT paid for works that remain eligible.
- For any ‘rejected’ claims that are subsequently resubmitted, the date of receipt will be the date on which the resubmitted claim is received and not the date the original claim was received.

The Representative Church Body – Report 2011

- **Civic Structures Conservation Grants Scheme (Republic of Ireland)**

The Scheme, operated by the Department of the Environment, Heritage and Local Government, provides grants in relation to the restoration and conservation of the architectural heritage of buildings which are in public ownership or open to the public generally and which are seen as being of considerable architectural merit. This includes places of worship. Closing date for applications is generally mid-February each year. Details may be obtained from the Department's website at www.environ.ie.

- **The Heritage Council Buildings at Risk Scheme**

Operated by the Heritage Council for repairs to historic buildings. Details may be obtained from the Heritage Council's website at www.heritagecouncil.ie and from the Heritage Council, Church Lane, Kilkenny, Co Kilkenny.

- **The Heritage Council Significant Places of Worship Grant Scheme**

The Department of the Environment, Heritage and Local Government set up the Grant Scheme in 2008, administered by the Heritage Council, to assist in meeting the costs of major conservation works for Cathedrals, Churches and other Places of Public Worship of national importance in the ownership of religious bodies. Details may be obtained from the Heritage Council's website at www.heritagecouncil.ie and from the Heritage Council, Church Lane, Kilkenny, Co Kilkenny.

- **Architectural Heritage Protection for Places of Public Worship (Republic of Ireland) – Guidelines for Planning Authorities**

The text of the Guidelines is available on the Department of the Environment, Heritage and Local Government website at www.environ.ie.

- **Church Buildings Sub-Committee**

Following the disbandment of the Historic Churches Advisory Committee, its functions were assigned to the Representative Church Body Property Committee and the Church Buildings Sub-Committee was subsequently formed in September 2008. The Sub-Committee reports directly to the Property Committee and its membership comprises the Very Rev Leslie Forrest and Mrs Jane Leighton (both of whom are members of the Property Committee) and Mrs Primrose Wilson, who acts as Advisor.

The Committee's principal function is to report to the Property Committee on applications received in respect of Forms of Certificates of Consent to Alterations, also known as the 'Blue Form'. Following a recommendation made by the Historic Churches Advisory Committee at its final meeting on 16 September 2008, the wording of the Blue Form was altered from "...it will not be necessary to apply to The Representative Church Body for their express consent..." to read "...**prior to signature by the Bishop or Ordinary and before Planning Permission is sought**, it **will** be necessary to apply to The Representative Church Body for their express consent to the proposed improvements...". The alteration in procedure is to ensure that appropriate approval is obtained before parishes enter into the planning process.

The Representative Church Body – Report 2011

When submitting a Form of Certificates of Consent to Alterations it is essential that supporting documentation, for example illustrations of proposed stained glass windows, or plans for the location of a font or removal of pews, should be supplied to enable the Sub-Committee to consider the proposal fully.

During the year, the Church Buildings Sub-Committee reviewed and approved 29 applications. The alterations included items such as the erection of memorial plaques and tablets and stained glass windows, the installation of public address and loop systems, new fonts and new or replacement church organs.

In the Republic of Ireland, in instances where a church is included in the List of Protected Structures, it is essential that parishes notify their Local Authority of any proposed alteration and gain the requisite agreement. Ecclesiastical Exemption in Northern Ireland means that Listed Building Consent is not required for internal alterations, but it is recommended that NIEA Built Heritage be notified where a church is a Listed Building. In order to assist parishes, a step by step guideline is set out below on the procedures which should be followed in respect of any proposed alteration in both Northern Ireland and the Republic of Ireland, in order to comply with Church and State regulations.

Northern Ireland

- ❖ Appoint an Architect with expertise in the conservation of historic buildings.
- ❖ Establish if the Church is a listed building.
- ❖ Where any alteration in the structure, ornaments, furnishings or monuments of a church (whether by introduction, alteration or removal) is being contemplated, a Form of Consent to Alterations (available from the Representative Church Body) should be completed and the approval of the Bishop or Ordinary obtained.
- ❖ Obtain the approval of the Diocesan Council and the Representative Church Body to any works involved in the church building development that is not covered by the Form of Consent to Alterations.
- ❖ Alterations to churches are subject to the same planning requirements for obtaining planning permission as unlisted buildings but 'The Ecclesiastical Exemption' applies to the interior and therefore Listed Building Consent is not required but it is recommended that NIEA Built Heritage should be consulted.
- ❖ Obtain the consent of the relevant Planning Authority to the proposed works, if applicable.
- ❖ Refer to the Department of the Environment Built Heritage website at www.ehsni.gov.uk.

Republic of Ireland

- ❖ Appoint an Architect with expertise in the conservation of historic buildings.
- ❖ Establish if the Church is listed as a Protected Structure under the Planning and Development Acts.

The Representative Church Body – Report 2011

- ❖ Where any alteration in the structure, ornaments, furnishings or monuments of a church (whether by introduction, alteration or removal) is being contemplated, a Form of Consent to Alterations (available from the Representative Church Body) should be completed and the approval of the Bishop or Ordinary obtained.
- ❖ Obtain the approval of the Diocesan Council and the Representative Church Body to any works involved in the church building development that is not covered by the Form of Consent to Alterations.
- ❖ Obtain the consent of the relevant Planning Authority to the proposed works, if applicable.
- ❖ Refer to the Architectural Heritage Protection – Guidelines for Planning Authorities, ‘Places of Public Worship’ Chapter 5. Available on the Department of the Environment Heritage and Local Government website at www.environ.ie.

Supplies of Forms of Certificates of Consent to Alterations may be obtained from the Property Department, Representative Church Body, Church of Ireland House, Rathmines, Dublin 6, or may be downloaded directly from the Historic Churches website at www.hc.anglican.org.

Website

The website set up by the Historic Churches Advisory Committee, www.hc.ireland.anglican.org remains in operation and provides information on the care and maintenance of churches. The website is also linked to the Church of Ireland website www.ireland.anglican.org.

LIBRARY AND ARCHIVES COMMITTEE

• Summary

The principal focus of the Library’s work continues to be the provision of resources for ministerial training through the sourcing, accessioning and cataloguing of new books, the re-cataloguing of the existing book stock, the management of a borrowing facility and the provision of study space.

During 2010, substantial progress has been made on converting the card catalogue of printed books to a new online catalogue which will provide universal access through the Library’s website www.library.ireland.anglican.org. At the end of 2010, 25,183 books were available on the online catalogue.

Considerable progress was also made, with the assistance of the Church House IT Department, in populating the Library’s website with introductory information and a beginning has been made to making lists and indexes of archives and manuscripts available online.

In addition the Library has continued to discharge its curatorial responsibilities for archives and manuscripts, church plate and episcopal portraits and has taken on responsibility for the editorial dimension of the *Church of Ireland Directory*.

The Representative Church Body – Report 2011

- **Allocations**

The General Synod allocated €1,000 for the purchase of books. This was generously augmented from the following sources:

Cashel and Ossory dioceses (€400); Clogher diocese (€150); Down & Dromore diocese (£280); Ferns diocese (€400); George E. Greene Memorial Fund (€1,750); Limerick, Killaloe & Ardfert dioceses (€250).

- **Accessions**

Books and periodicals were purchased to meet the requirements of those in training for ministry and the needs of the wider church. In particular continued substantial purchasing was required to meet the needs of the new courses in the Church of Ireland Theological Institute. These purchases were augmented by donations from publishers, authors and from a number of individuals and organizations, notably the late Very Rev WNC Barr, CMSI, the Rev Ron Elsdon, the late Rev WRJ Gourley and Canon GPStJ Hilliard.

The principal archival accessions were records from 40 parishes, bringing to 1016 the number of parish collections which the Library manages. In addition there were 32 accessions of miscellaneous manuscript material among which the theological treatises of the Cork cleric, James Hingston, will be valuable for students of the 18th century, the records of the Actors' Church Union will cast some light on a little known aspect of the Church's missionary work, while the sermons of the Ven Guy Cave (1919-2009) and the Rev Wilbert Gourley (1948-2010) may prove to be important sources for interpreting contemporary parish life.

A list of accessions of archives and manuscripts to the Library during 2009 is included as Appendix H (page 111).

- **Storage**

Semi-current archival material which is not available to researchers was transferred to storage in the basement of Church of Ireland House. However, the shortage of storage space in the Library, for both books and archives, remains a problem and one which will continue to increase.

- **Ministerial Training**

In support of ministerial training, one of the core functions of the Library, induction sessions were provided for ordinands in the Church of Ireland Theological Institute, for those in training for the non-stipendiary ministry (NSM) and for students on the Foundation Year programme. On the weekends on which there was NSM training in the Theological Institute the Library remained open until 7.30 pm.

- **Cataloguing**

Work continued on converting the catalogue of printed books from cards to computer. Over 25,000 books have been processed and these are available online through the Library website.

The Representative Church Body – Report 2011

The first stage of this operation, the conversion of records relating to the modern working core of the Library, has been completed and this is of particular significance for ordinands in the Church of Ireland Theological Institute and especially those involved in distance learning. The second stage, the conversion of the older theological and historical book stock, is underway and it is anticipated that this will be of value for the third year students who, as part of the MTh course, are required to write a dissertation.

Records from 40 parishes were listed.

The papers of the Rev DRC Hilliard (1911-95) were catalogued and further work was undertaken on the diocesan records of Kilmore, Elphin & Ardagh.

- **Conservation**

Nineteen volumes of parish records were repaired and rebound and thirty volumes of reference works were bound.

- **Church Plate**

Progress continued to be made with the church plate inventory and over 90% of the inventories have been returned and checked. The transfer of plate from local custody continued as parishes reduced the holdings in their safes and removed items from local banks and continued to facilitate the reallocation of pieces to other parishes. The Library holds some 680 pieces of church plate.

- **Episcopal Portraits**

Six portraits from the Down & Dromore See House collection were cleaned, repaired and re-hung. This completes the conservation of this collection.

Three portraits from the Cashel & Ossory collection, which had been in store following the sale of the Palace in Kilkenny, have been hung in the re-furbished Palace which is now the headquarters of the Heritage Council, and the last portrait remaining in store has been hung in St Canice's Library. This completes the re-location of all the portraits which were in the Palace.

- ***Church of Ireland Directory***

Following a re-organization of responsibilities in Church of Ireland House, editorial responsibility for the *Church of Ireland Directory* was assigned to the Library staff.

- **Outreach**

The fifth volume in the Library's texts and calendars series, *The vestry records of the parish of St Bride, Dublin, 1662-1742*, edited by WJR Wallace, was prepared for publication.

The second phase of the genealogical website, www.irishgenealogy.ie, which consisted largely of parish records from the Library's collections, was launched by the Minister of Tourism, Culture & Sport in St Werburgh's church, Dublin.

The Representative Church Body – Report 2011

Library staff gave presentations on aspects the Library's holdings during Heritage Week in Dublin and Cavan and contributed to the Landmark Trust's conference on St Werburgh's Church, Dublin; facilitated the BBC with filming for a programme in its *Who do you think you are?* series and TG4 for one of its *Who lived in my house?* programme; mounted an exhibition for the *Back to our past* show in the RDS; assisted the architect Jeremy Williams in the planning for his forthcoming exhibitions on the architects RC Carpenter, Rawson Carroll, William Gillespie and William Atkins.

Presentations on the Library and its resources were given to history students from TCD and NUI Maynooth and from the Trinity Irish Art Research Centre. In addition, seminars were facilitated for students from the UCD Archives School and the MA in history course in NUI Maynooth.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND SOLVENCY

Last year it was reported that the Actuary, in his formal actuarial valuation as at 30 September 2009, had identified that the Clergy Pensions Fund (CPF) had failed to achieve the Minimum Funding Standard (MFS) as at that date. Where schemes fail to achieve this MFS, the Trustee and Sponsor of the scheme are required to put in place a Funding Proposal designed to restore the solvency of the scheme over a number of years. To this end a series of proposals was brought to and passed by the General Synod in 2010 with the aim of satisfying both the long-term funding position and the short-term MFS. Details of the key elements of the changes passed by Synod, which it was planned would be incorporated into a Funding Proposal, are set out in the report of the Church of Ireland Pensions Board on page 123.

Following the General Synod in 2010, the Executive Committee established a small working group whose brief was, with the Actuary, to prepare the Funding Proposal for formal submission to *An Bord Pinsean* in the early part of 2011. However, in September 2010 the Actuary advised that, while he projected that the long-term funding position had been secured by the changes agreed at the General Synod in 2010, these were no longer likely to satisfy the MFS deficit. This re-emergence of a MFS deficit resulted from an increase in the liabilities of the Fund which had been caused by significant reductions in the rates of interest being earned on secure, high quality, long-term bonds which are used to value the liabilities of the Fund. The yield on these is at historically low levels. This outcome is not unique to the CPF as many, if not all, defined benefit pension schemes both in Ireland and the UK have been similarly affected by the dramatic drop in long-term bond yields.

The working group then met to consider what course of action it would recommend to make good the newly identified MFS deficit through a revised Funding Proposal. As at August 2010 the then legislation required that such a Funding Proposal be filed with *An Bord Pinsean* by May 2011. However in October 2010 *An Bord Pinsean*, recognising that many defined pension plans were confronted by problems similar to that faced by the CPF, announced that it would introduce new legislation no later than July 2011 in relation to the governance of defined benefit plans. It advised that such new legislation will deal with the basis of calculation of the funding standard, including such areas such as risk management and smoothing out effects of changes in the bond markets. As a result of this the Actuary advised the working group that the deadline for filing a new Funding Proposal with *An Bord Pinsean* will be no earlier than July 2011 and further that it is believed that such new legislation will incorporate some additional flexibility in relation to how MFS is to be calculated in future.

The Representative Church Body – Report 2011

In December 2010, the working group reported to the Representative Body that it believed it to be premature to propose any further radical changes to the CPF pending sight of the proposed new legislation. This position was agreed. Accordingly no changes to the CPF are being brought to the General Synod in 2011.

The working group further advised that the issue of the short-term solvency of the CPF has not gone away, but more time has been granted to consider the best approach to the challenge of eliminating any MFS deficit and the approach will be informed by the awaited pensions legislation.

THE CHURCH OF IRELAND CLERGY PENSIONS FUND TRUSTEESHIP

The General Synod in 2010 approved Bill No 1 giving effect to the recommendations of the Representative Body and the Church of Ireland Pensions Board in relation to the establishment of a new corporate Trustee for the Church of Ireland Clergy Pensions Fund, The Church of Ireland Clergy Pensions Trustee Limited (“the Company”). The revised Chapter XIV of the *Constitution of the Church of Ireland* (the Trust Deed and Rules of the Fund) as approved by the General Synod in 2010 came into force on 1 January 2011.

In accordance with the provisions of the legislation, Memorandum and Articles of Association for the Company were approved by the Representative Body in March 2010 and the Company was duly incorporated in December 2010. The five directors of the Trustee Company, who were appointed by the Representative Body in December 2010 and who were nominated in accordance with the articles of the company, are as follows: The Rt Rev Paul Colton and Mr Bruce Maxwell, nominated by the Church of Ireland Pensions Board and Mr Terence Forsyth, Mr Geoffrey Perrin and Mr John Wallace, all nominated by the Executive Committee of the Representative Body. The Trustee Company will discharge its responsibilities as trustee of the Clergy Pensions Fund as from 1 January 2011.

PENSIONABLE STIPEND

Legislation will be brought to the General Synod in 2011 by the Representative Body and the Standing Committee to change the annual approval process for Pensionable Stipend in line with the proposed changes to the approval process for Minimum Approved Stipend (for details see Bills Nos 4 and 5 as circulated to Synod members).

Under the current system a recommendation on Pensionable Stipend is brought by the Representative Body and the Trustee for approval by the General Synod in May and implemented the following January. The legislation seeks to allow a recommendation to be brought by the Representative Body and the Trustee for approval by the Standing Committee in September for implementation the following January. This would allow more up-to-date statistical data to be used in arriving at recommendations and would also substantially reduce the lead time for implementation of agreed figures.

AMENDMENT TO BY-LAWS OF THE REPRESENTATIVE CHURCH BODY

The Representative Body in March 2010 amended its By-Laws to increase the term of membership for members of its Committees from one to three years.

DONATIONS AND BEQUESTS TO THE CHURCH OF IRELAND

• Trustee role of the Representative Church Body

The Representative Body was incorporated by Charter to hold property and funds in trust for the Church. As a permanent trustee body it administers a large number of trusts donated or bequeathed for specific Church purposes, parishes and dioceses.

There is considerable advantage in donating or bequeathing in trust to a permanent trustee body such as the Representative Body (or the Church of Ireland Trustees in Belfast) rather than to local trustees. For instance, with a permanent trustee body there is no need to appoint new trustees from time to time.

Donations and bequests can be in the form of money, stocks and shares, securities, chattels, houses or lands or the whole or part of the residue of an estate. They can be left to the Representative Body in trust:

- for the general purposes of the Church of Ireland; or
- for any particular funds of the Church or any diocese or parish; or
- for any particular Church purpose.

The Representative Body applies funds arising from a specific donation or bequest strictly in accordance with the purposes declared in the trust instrument or Will. However, the Church of Ireland is in great need of unfettered funds to help finance its ongoing responsibilities – training ordinands, providing retirement benefits for clergy and their spouses and maintaining the ministry generally. An unfettered donation or bequest can be given or left to the Representative Body in trust “for such charitable purposes in connection with the Church of Ireland as the Representative Body of the Church of Ireland may from time to time in its absolute discretion approve”, giving the Church the flexibility to finance its most pressing needs from time to time. (Please see suggested Form of Bequest below.)

• Tax relief on charitable donations

Northern Ireland

The Gift Aid scheme gives tax relief on charitable donations and is available to all taxpayers resident in Northern Ireland. Tax can be reclaimed on donations of any size, as long as the amount reclaimed does not exceed the amount of tax paid by the donor during the tax year. Information on how to avail of Gift Aid is available from Church of Ireland House, Dublin.

The total value of the subscriptions collected under Gift Aid on behalf of parishes in 2010 was £4,949,491 to which the income tax recovered by the Representative Body added £1,396,011 to give a total of £6,345,502 as compared with £6,606,486 in the previous year. This figure includes an element of transitional relief which was provided by the Government to allow charities to adjust to the fall in basic rate tax from 22 per cent to 20 per cent and is paid in respect of all qualifying Gift Aid donations made to charities between 6 April 2008 and 5 April 2011. This means that for every pound donated under Gift Aid scheme the charity will continue to receive 28p until the end of the tax year 2010/11, when the rate reduces to 20 per cent.

The Representative Church Body – Report 2011

HM Revenue & Customs announced during 2010 that backdated claims and Gift Aid declarations can now only go back four years rather than six.

Republic of Ireland

Tax relief is available on donations of €250 or more made by individuals and corporate donors to eligible charities and approved bodies. In the case of donors who are PAYE only, tax reclaimable by the charity represents 25% of the original donation for standard rate tax payers and 69% of the original donation for higher rate tax payers, this higher rate relief being retained in the 2011 budget. If donors are self-assessed for tax purposes, relief is available at the appropriate tax rate against the donation value.

Many parishes and the Bishops' Appeal have benefited greatly from this tax relief and they are utilising the opportunity to maximise the value of parochial and charitable giving. Information on the reclaim process is available from Church of Ireland House, Dublin.

- **Form of Bequest**

The following suggested Form of Bequest grants the Representative Body, as Trustee, permission to invest in any investments or securities at its sole discretion. Circumstances may alter from time to time and this Form of Bequest gives the Trustee freedom to act in the best interests of the parochial or other fund concerned.

The Representative Body also recommends consulting a Solicitor to ensure that any bequests made under Will are valid and satisfy legal requirements.

“I GIVE, DEVISE AND BEQUEATH [*here insert clear particulars of the benefaction ie, a particular sum of money, specific property, a share of the residue etc*] to the Representative Body of the Church of Ireland in trust for [*here insert clear particulars of the object for which the benefaction is to be applied eg, parochial funds of the parish of in the diocese of or, as a perpetual endowment for the stipend of the incumbent of the parish of in the diocese of or, for such charitable purposes in connection with the Church of Ireland as the Representative Body of the Church of Ireland may from time to time in its absolute discretion approve*].

I direct that any funds received by the Representative Body in pursuance of this my Will may be invested in any investments or securities whatsoever in its sole discretion and in all respects as if it were absolutely and beneficially entitled thereto.”

- **Donations, Bequests and Funds Received**

A full list of funds received by the Representative Body in 2009 on behalf of parishes, dioceses and special trusts is included as Appendix I (page 115).

- **Trusts for Graves**

The Representative Body does not accept any trust for the provision, maintenance or improvement of a tomb, vault, grave, tombstone or other memorial to a deceased person unless a specific benefit will accrue to the parish concerned.

The Representative Church Body – Report 2011

MISCELLANEOUS AND GENERAL

• **Deposit Interest (Rates)**

The rates of interest allowed or charged by the Representative Body are linked to the rates ruling from time to time in the money market. The following rates of interest were applied by the Representative Body in 2010:

QUARTER ENDED	€		£	
	Dr %	Cr %	Dr %	Cr %
31 March	3.50	2.20	2.50	1.60
30 June	3.50	2.10	2.50	1.60
30 September	3.50	2.10	2.50	1.65
31 December	3.50	2.50	2.50	1.80

These rates only apply to revenue balances to credit of diocesan and other accounts and not to permanent capital other than in cases where, for some reason, there may be a delay in making a long-term investment (eg proceeds of sales of glebes). Interest is calculated on daily balances and time weighted.

• **Inflation Statistics (5 year review)**

Year on year (December)	UK (RP Index)	Republic of Ireland (CP Index)
2006	4.4%	4.9%
2007	4.0%	4.7%
2008	0.9%	1.1%
2009	2.4%	-5.0%
2010	4.8%	1.3%

RESOLUTIONS RECOMMENDED TO THE GENERAL SYNOD

The Representative Body recommends that the following resolutions be adopted by the General Synod:

I. Allocations

That the General Synod hereby notes that the Representative Body has made the following allocations for 2011 from the balance on the General Funds Revenue Account for the year ended 31 December 2010:

Group A – Maintenance of the Stipendiary Ministry	€
Group B – Pension Related Costs	1,274,904
Group C – Training of Ordinands	943,502
Group D – General Synod Activities	1,086,895
Group E – Miscellaneous	885,281
	500
	<u>4,191,082</u>

II. Minimum Approved Stipend

That, in the event of the failure of Bill No 4 of 2011 to amend the Minimum Approved Stipend approval process, in accordance with Section 51 (1) of Chapter IV of the *Constitution of the Church of Ireland*, Minimum Approved Stipends shall be as follows with effect from 1 January 2012, remaining unchanged from 2011 in the case of the Republic of Ireland and being increased by 2% in Northern Ireland:

- (a) no stipend shall be less than £26,008 per annum in Northern Ireland or €36,219 per annum in the Republic of Ireland in the case of an Incumbent or a member of the clergy appointed as Bishop's Curate under the provisions of Section 42 of Chapter IV or of a Diocesan Curate over the age of 30 years appointed under the provisions of Section 43 of Chapter IV.
- (b) the stipend for a Curate-Assistant shall be in accordance with the following scale:

First Year	75.0%	of minimum stipend for incumbent
Second Year	77.5%	"
Third Year	80.0%	"
Fourth Year	82.5%	"
Fifth and succeeding Years	85.0%	"

III. Pensionable Stipend

That as recommended by the Representative Body and the Trustee, in the event of the failure of Bill No 5 of 2011 to amend the Pensionable Stipend approval process, in accordance with Section 2 of Chapter XIV of the *Constitution of the Church of Ireland*, Pensionable Stipend shall be as follows with effect from 1 January 2012, remaining unchanged from 2011 in the case of the Republic of Ireland and being increased by 1.75% in Northern Ireland:

- (a) Pensionable Stipend shall be £25,944 per annum in Northern Ireland and €36,219 per annum in the Republic of Ireland in the case of an Incumbent or a member of the clergy appointed as Bishop's Curate under the provisions of Section 42 of Chapter IV or of a Diocesan Curate over the age of 30 years appointed under the provisions of Section 43 of Chapter IV.
- (b) Pensionable Stipend for a Curate-Assistant shall be in accordance with the following scale:

First Year	75.0%	of Pensionable Stipend for incumbent
Second Year	77.5%	"
Third Year	80.0%	"
Fourth Year	82.5%	"
Fifth and succeeding Years	85.0%	"