

Proposed Connexional Team Budget 2009-10

Basic Information

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| Status of Paper | Final |
| Action Required | Discussion and recommendations around bold-type questions in sections 2-6; Decision on draft resolution. |
| Draft Resolution | The Methodist Council recommends the proposed Connexional Team budget for 2009-10 (subject to further necessary amendment regarding actual fund income) for approval at the Methodist Conference. |
| Alternative Options | To recommend that some discretionary costs are removed from the budget or that the principles of proposed use of reserve funds and application of charges to connexional funds are adapted from that recommended by the Team and the SRC. |

Summary of Content

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| Subject and Aims | This paper sets out and discusses the proposed Team budget for 2009-10. It aims to provide the Council with details of how the budget has been formed, both in terms of funding streams and the discernment of working priorities. It seeks to gain from the Council an indication of its support, or otherwise, for the decisions made, particularly in certain areas of special note, and to invite comment on the proposed method of presenting the budget process to the wider audience of the Conference. |
| Main Points | The paper sets out the background to the budgeting process, identifying the effect of external circumstances on decisions. It sets out a series of areas where the Council may wish to comment: the proposed priority discretionary costs which are new or of particular note; the discernment of the levels of charges to be made to the various Church funds for their management; the proposed use of reserve funds; and the proposed method of presenting the major ideas involved in forming the budget to the Conference. |
| Background Context and Relevant Documents (with function) | Financial framework for the Team: set out in <i>Reconfiguring the Connexional Team: Team Focus 2005-08</i> (Agenda, 2007). Church fund reserves policy: Ibid., section 4.11-15; The Methodist Council, 30-31 March 2007, Vol. 2, Part B: Team Focus Papers, Supporting Paper G: <i>Reserves Within Connexional Funds</i> , pp. 96-97 |
| Consultations | Specialist staff, budget holders, Cluster Heads and Strategic Leaders of the Connexional Team; the SRC Finance Sub-Committee, the SRC. This budget proposal comes as a recommendation for approval at the Council from each. |

Summary of Impact

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| Financial | Approval of or changes to the proposals will impact on Team spending and reserve fund levels. |
| Personnel | The budget builds on the SRC decision to ask for no redundancies amongst staff appointed under Team Focus in 2008-9. |
| Legal | Adherence to Charity Commission policy on the use of reserves |
| Wider Connexional | Decisions will affect the scope for Team staff to contribute to the work of the wider Connexion. |
| External (e.g. ecumenical) | Decisions will affect the scope for Team staff to impact on and contribute to Church work external to the Connexion. |
| Risk | Income estimates are particularly difficult. If they prove too optimistic, a greater drawdown of reserves would be necessary to sustain proposed expenditure. A reduction in priority discretionary expenditure risks constricting the possibility of staff already appointed fulfilling their potential. Not using the reserves as recommended risks legal difficulties and removes some incentive for Methodists to contribute to central funds of the Church in the future. |

Proposed Connexional Team Budget 2009-10 Matters for Discussion by the Methodist Council

1 Background

- 1.1 This paper and its appendices are designed to facilitate an informed discussion at the Methodist Council of the draft 2009-10 Connexional Team budget. Given the external uncertainties and that this is the first budget prepared since the Team was reconfigured, there is a more than usual margin of approximation.
- 1.2 The draft budget has been scrutinised by the Finance Sub-Committee of the SRC and the SRC itself. Both are content that the principles and funding streams proposed in the draft budget for 2009-10, as set out in this document and in Appendix 4, are upheld and that the recommendations made below concerning particular priority discretionary expenditure are delivered to the Council for recommendation to the Conference in light of those principles.
- 1.3 The financial framework used for the first time in presenting this budget is that which was accepted by the 2007 Conference as part of reordering the Team budget within the Team Focus process. Appendix 1 provides in diagrammatic form a summary of the framework. It is intended to make very much clearer the purposes to which different sources of income are put. This then allows a better discussion at every stage about priorities.
- 1.4 As we come to prepare the 2009-10 budget a variety of factors external to the Team have changed our financial landscape. Many of the major income elements are liable to be lower than this year, including investment income and unplanned donations. On the expenditure side, Pension Fund contributions will be higher for both presbyters and lay staff. Our current best estimates of these factors suggest an overall adverse impact of around £3m relative to 2008-9 even if our proposed new fund-raising strategy can reverse the decline in giving to the major UK Funds.
- 1.5 The core income from district assessments is already fixed in agreement with the Districts at £12m and is assumed to be robust despite the recession. Additional Circuit contributions to the Ministers Pension Fund will be additional to this but outside the Team budget.
- 1.6 The SRC reviewed the major Connexional Funds at its meeting in March. It recommends to the Council that the use of these funds is made as suggested in the proposed budget, having noted the specific proposed uses of the different free and designated funds.

2 Shaping the Budget

- 2.1 Appendix 4 is a draft Conference paper, *Living a Financial Discipleship (LFD)*, which provides commentary around the decision-making processes which resulted in the proposed budget. The paper illustrates the various factors at play in discerning where the Team should focus its resources and which of those resources ought to be called upon.
- 2.2 Costs for the various aspects of Team work have been divided into those which allow the core functions of the Team to be completed and those which cannot be defined as core, but which the Team believes are essential to the proper completion of its various duties. This second category has been defined as 'priority discretionary' costs.
- 2.3 Work to be funded within the priority discretionary category has been included in the proposed budget after careful consideration of the various pieces of work which the Team *might* do, selecting from these that which the Team believes *must* or *ought* to be done, as a priority. The detailed rationale for this discernment has been described in sections 1-3 of *LFD*.
- 2.4 In developing the budget a number of assumptions have been made:
 - Inflation is 2% for 2009-10 relative to 2008-9
 - Employment continues for all permanent staff appointed in 2008-9 as a result of the Team Focus reviews (as requested by the SRC)

- **mph** fully transitions into the Team by the start of 2009-10
 - Production of any new hymnbook would not start in 2009-10
- 2.5 As agreed at the 2007 Conference, within the core costs are those relating to essential Connexional expenditure which are fed through the Team budget, such as the stipends of District Chairs. In this new construction we have gathered into a single budget line all costs relating to the annual meeting of Conference and have suggested a global cost figure of £400k.
- 2.6 Drawing all these threads together, the leadership of the Team offers a budget proposal for discussion, at the recommendation of the SRC, which is summarised in Appendix 3. In addition to those identified costs in the Cluster budget summaries, it includes (i) £250k as a reserve to allow prompt responses to new opportunities that arise in the year, thus honouring a Team Focus commitment and continuing a pattern used in 2008-9; and (ii) proposed grants packages of £4.9m for World Church Relationships and £5.9m for Mission in Britain. These levels come with the recommendation of the SRC and therefore assume the Conference will be content to continue the recent policy of some drawing down of excess free reserves from the major connexional funds.
- 2.7 **The Council may wish to comment on the principle and size of these two items.**

3 Priority Discretionary Expenditure

- 3.1 A number of new items which have been allocated to the priority discretionary expenditure are worth noting. These appear as a result of the judgement of the Strategic Leaders and Cluster Heads, but are notable for their being unanticipated costs or of particular size and could therefore be a cause for debate in the wider Church. The recommendations have been discussed by the SRC, which advises that the Council approve them.
- 3.2 *2010 All-Partners Consultation Event*
- 3.2.1 For details on this, see Appendix 5.
- 3.3 *Executive Officer*
- 3.3.1 The Team recognises the particular pressure under which some members of its strategic leadership and senior management have been working since September 2008, and the extent to which their workloads have been far greater than was previously anticipated. In light of this, a temporary appointment was made in December 2008 of an Executive Officer. This Officer has performed key functions for the Team, including the formulation of a number of budget documents now before the Council.
- 3.3.2 The provision of an Executive Officer, whose role extends well beyond that of the standard administrative support offered to the Strategic Leaders and Cluster Heads, has been vital to the effective functioning of the Team in performing even its core responsibilities. For this reason, the budget for 2009-10 includes provision for a further appointment of such a post to be continued for at least one more connexional year. The total cost is anticipated to be £59k. The necessity for extending this appointment on a permanent basis will be considered at an appropriate time in the next connexional year.
- 3.4 *Fundraising Strategy*
- 3.4.1 As discussed below paragraph A2.3.4 of *LFD*, the Team proposes that significant funds be allocated within the budget for 2009-10 to support the development of a connexion-wide fundraising strategy, which would also incorporate raising funds from outside the Methodist family. These will amount to approximately £125k.

- 3.4.2 The Team Focus objective that the Team become more concerned with prioritising fundraising within the context of stewardship as a dimension of Christian discipleship, resulted in the appointment of a Fundraising Coordinator, who is now in post. In order to fulfil the commitment to professional fundraising the Church has made, the Strategic Leaders and Cluster Heads propose that full support should be given to the implementation of a fundraising strategy that provides the greatest potential for increasing the resources of the Church. The reconfigured Team recognises its obligation as steward of a large proportion of the resources of the Methodist people to raise funds and to seek to raise as much money, through giving, as possible.
- 3.4.3 The planned overarching fundraising strategy for the Team seeks to establish the place of giving as a fundamental part of Christian discipleship. It will involve engaging with Church members directly, helping local churches to raise funds themselves, encouraging more involvement and interest in specific high profile projects and inspiring extra giving through exciting, timely and relevant campaigns.
- 3.4.4 A critical element of this broader strategy is the proposed *Send the Light* fundraising programme (the title is under review). *Send the Light* is designed to develop regular, committed giving to the Church funds for local, national and international mission. The cost of this programme is considerable (currently estimated at £83,450), but it is the belief of the Team that it will provide the resources for long-term gain through greatly increased regular giving from Methodist Church members and the increased use of gift aid entitlement on donations. The Strategic Leaders believe that the programme should be implemented with as much energy as possible, and thus that it should be fully resourced, as proposed in the current budget, in the connexional year 2009-10.
- 3.5 The Council may wish to discuss the above proposals in light of their recommendation by the Team and the SRC and to provide comments as to its support, or otherwise, for these elements of the proposed priority discretionary expenditure.**

4 Charges

- 4.1 A further area for consideration by the Council is that of the figures set for the amounts to be taken from connexional funds as charges to cover the costs of core work in the Team that supports directly the use of those funds.
- 4.2 It is recognised by the Team that no exact accuracy can be achieved in discerning how much the administration of each connexional fund costs in terms of direct charges and indirect costs, such as staff time. However the Strategic Leaders continue to support the 2007 Conference decision to place a percentage charge on each of the four major funds, providing proper transparency both for the Team and for those who contribute to the funds.
- 4.3 The figure of 9% has therefore been proposed for the funds devoted to work in Britain. This figure should cover the necessary staffing and resources costs for the administration of home-based funds. These will be directed through the Connexional Grants Committee for distribution as grants contained within the remit of the Ministry and Mission in Britain grant-giving streams.
- 4.4 A charge of 15% is proposed for costs associated with the Fund for World Mission (FWM, to become World Mission Fund from 2009-10), leaving 85% to be directed through the Connexional Grants Committee for distribution as grants contained within the remit of Ministry and Mission in the World grants-giving streams.
- 4.5 The larger charge on the FWM is a conscious decision made after careful consideration of the size and use of that fund. The key considerations in this decision include:
- 4.5.1 First, it is recognised within the Team and the Church that FWM receives considerably larger donations than any other Methodist Church Fund. This reflects the desire of the Methodist people to place the work of the British Connexion in the context of its

membership of the global Methodist Church and to encourage its development of supportive, encouraging missionary relationships with World Church partners.

4.5.2 Secondly, in addition to our grant-making function, the use of money received through FWM is defined in SO 362 specifically for the broader purposes of partnership development, including the provision of staffing for that purpose. As the FWM is therefore more than a grant-giving fund, but a relationships-building one, ensuring the achievement of this significant and broad remit clearly exceeds the work of simple administration. It is therefore the belief of the Team and of the SRC that the charge to FWM should be set to provide within the core finances of the Team sufficient funds to pay for the broad functions required of it. The figure of 15% has been calculated as an appropriate percentage to match the costs of administering the fund, plus supporting the ongoing deepening of world church relationships in the broadest possible sense. The proposed charges to each of these funds come at the recommendation of the Team and of the SRC.

4.6 The Council is asked to consider the proposed charges on the connexional funds and provide an indication of its support, or otherwise, for the principle and the resultant figures set for these charges.

5 Use of Reserves

5.1 Given the deterioration in external factors and the SRC request to avoid any redundancies for staff appointed via the Team Focus review process, it is not surprising that the budget shows a deficit in all three sections. Appendix 3 shows some proposals for where the necessary balancing of resources could be found from reserve funds. If the assumptions about the external environment prove too pessimistic then of course Other Income and Charge income will increase and the call on reserves fall. If the budget numbers were to prove right, then the total call on excess free reserves would reduce them by 23%.

5.2 It is important to recognise that the use of reserve funds in this budget has been anticipated, and is indeed a result of deliberate planning. It is widely recognised that the desired outcome of the reserves policy for the Church, accepted by the Conference in 2007, is that it reduces significantly its free and restricted fund reserves. For more discussion of this policy see *LFD*, Section 4. This policy is in line with the Charity Commission directive that trustees have a general legal duty to apply charity funds within reasonable time of receiving them, and that 'apply' can, in practice, be taken to mean 'expend' for the majority of income funds.

5.3 In line with the 2007 financial framework for the Team, the use of reserve funds for the 2009-10 budget has been confined, where appropriate, to those areas for which each fund has been designated. Only free reserves will therefore contribute to the necessary additional expenditure on core costs above that covered by district assessments. The proposed draft budget suggests the use of a proportion of the Training Assessment Fund to cover priority discretionary work specifically within the remit of the Discipleship and Ministries Cluster where it relates to training and development work. After discussion at the SRC, this use was recommended to the Council as an appropriate way forward.

5.4 It is recognised that the proposed use of reserve funds in the budget for 2009-10 is a pattern that cannot be sustained beyond a small number of years, and must be tapered in a carefully planned manner. Reserve funds will quickly become depleted if the rate of use suggested is sustained. However, this is in line with the framework described in 5.2 above and discussed in *LFD*. It is important to recognise, therefore, that the capacity of the Team to continue priority discretionary work at this level in the longer term hinges on the success of the Church's commitments to develop greater confidence and spiritual and numerical growth, with resultant improvements in available income.

5.5 The SRC has discussed in detail the use of the various reserve funds in this budget and the figures involved. This proposal comes as a recommendation both of the Team and of the SRC.

5.6 In light of the above, the Council is invited to comment on the use of reserves proposed by the Team and the SRC.

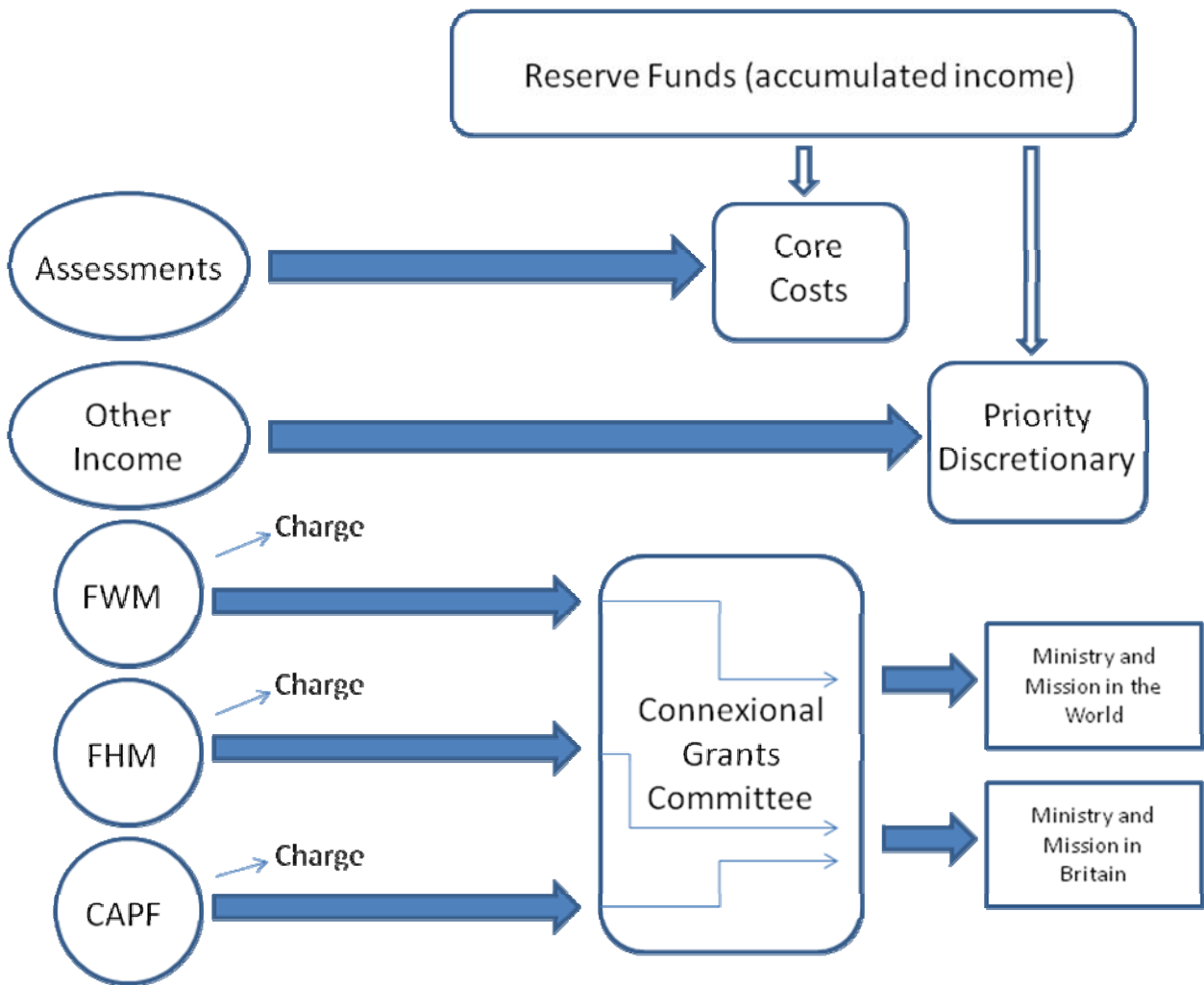
6 Accompanying Narrative

6.1 Appendix 4 is the draft of a possible Conference paper, designed to demonstrate the thought processes behind the proposed use of funds and to inform the Conference of notable pieces of work for which the Team has budgeted in 2009-10. It demonstrates the working priorities for the Team during the connexional year, drawing examples and themes from each of the clusters. The paper will be adapted and amended, as necessary, in light of decisions made and further information made available prior to the submission of the final budget draft to the Conference.

6.2 Discussion of the paper at the SRC led to the recommendation that this approach to presenting the budget be taken. However, it identified the possible need to reduce the length of the paper and change its style so that it will be more accessible to its intended audience.

6.3 **In light of the SRC's recommendation and in anticipation of the proposed change of style and length, the Council is invited to comment on the principle of using a developed version of Appendix 4 as a way of presenting the budget to the wider audience of the Conference.**

Appendix 1



Appendix 2

THE METHODIST CHURCH

BUDGET 2009-2010

INCOME & EXPENDITURE STATEMENT

| | Strategic Leaders £000 | GOV £000 | Projects £000 | CCEA £000 | Disc & Mins. £000 | Support Svcs £000 | Connex Grants £000 | MCF General £000 | TOTAL |
|--|------------------------------|-------------|------------------|--------------|----------------------|----------------------|-----------------------|---------------------|-------------|
| Income | | | | | | | | | |
| District Assessments | | | | | | | | 12,000,000 | 12,000,000 |
| Donations & Fundraising | | | | | | | | 340,000 | 340,000 |
| Return on Investment | | | | | | | | 530,000 | 530,000 |
| Legacies | | | | | | | | 65,000 | 65,000 |
| Other Income | | 125,500 | 38,750 | 552,300 | 1,016,500 | 331,300 | | | 2,064,350 |
| Income to funds (Donations, Investment Income, legacies, Sundry | | | | | | | | | |
| FWM | | | | | | | 4,030,000 | | 4,030,000 |
| FHM | | | | | | | 1,265,000 | | 1,265,000 |
| Auxiliary | | | | | | 440,000 | | | 440,000 |
| CAPF | | | | | | | 3,444,000 | | 3,444,000 |
| Other funds | | | | | | | 1,000,000 | 1,295,000 | 2,295,000 |
| | - | 125,500 | 38,750 | 552,300 | 1,016,500 | 771,300 | 9,739,000 | 14,230,000 | 26,473,350 |
| Fund Levy | | | | | | | | | |
| FWM | | | | | | | | | |
| FHM | | | | | | | | | |
| Auxiliary | | | | | | | | | |
| Other funds | | | | | | | | | |
| | - | 125,500 | 38,750 | 552,300 | 1,016,500 | 771,300 | 9,739,000 | 14,230,000 | 26,473,350 |
| EXPENDITURE | | | | | | | | | |
| Connexional Team Core Cost | | | | | | | | | |
| Stipends & related costs | 78,038 | 95,920 | | | 288,066 | 26,007 | | | 488,031 |
| Staff costs | 156,892 | 190,961 | 514,095 | | 982,403 | 2,577,299 | | | 4,421,650 |
| Grants | | | | | | | | | - |
| Training | | | | | 3,429,258 | | | | 3,429,258 |
| Governance | | 581,900 | | | | | | | 581,900 |
| Support Services | | | | | | 336,500 | | | 336,500 |
| Meetings & Committee | 39,200 | 450,800 | | | 100,000 | | | | 590,000 |
| Other Cost | 130,000 | 444,810 | | 50,000 | 423,200 | 1,693,000 | | | 2,741,010 |
| | 404,130 | 1,764,391 | 514,095 | 50,000 | 5,222,927 | 4,632,806 | - | - | 12,588,349 |
| Other Connexional Core Cost | | | | | | | | | |
| Stipends & Staff Costs | | 970,331 | | | | | | | 970,331 |
| Meetings & Committee | | 20,800 | | | | | | | 20,800 |
| Other Cost | | 40,800 | | | | | | | 40,800 |
| | - | 1,031,931 | - | - | - | - | - | - | 1,031,931 |
| Priority Discretionary Expenditure | | | | | | | | | |
| Grants | | | | | | | | | |
| World Church | | | | | 50,000 | | 4,861,000 | | 4,911,000 |
| Mission In Britain | | | | | | | 5,900,000 | | 5,900,000 |
| CCEA | | | | 43,307 | | | 170,000 | | 213,307 |
| Disc. & Mins. | | | | | 1,535,000 | | | | 1,535,000 |
| Projects | | | | | | | 21,000 | | 21,000 |
| Stipends & related costs | | | | 186,854 | 30,482 | | | | 217,336 |
| Staff costs | | | | 1,386,610 | 11,958 | | | | 1,398,568 |
| Other Costs | | | 250,068 | 1,131,058 | 110,100 | | 23,200 | 800,000 | 2,314,426 |
| | - | - | 250,068 | 2,747,829 | 1,737,540 | - | 10,975,200 | 800,000 | 16,510,637 |
| Optional Discretionary Expenditure | | | | | | | | | |
| Staff | | | 189,600 | | | 20,000 | | | 209,600 |
| Grants | | | | | | | | | - |
| Meetings & Committee | | | | | | | | | - |
| Other Cost | 250,000 | | 46,400 | 155,479 | | 12,000 | 250,000 | | 713,879 |
| | 250,000 | - | 236,000 | 155,479 | - | 32,000 | 250,000 | | 923,479 |
| Total Expenditure | 654,130 | 2,796,322 | 1,000,163 | 2,953,308 | 6,960,467 | 4,664,806 | 11,225,200 | 800,000 | 31,054,396 |
| Net Surplus /deficit from Reserves | - 654,130 | - 2,670,822 | - 961,413 | - 2,401,008 | - 5,943,967 | - 3,893,506 | - 1,486,200 | 13,430,000 | - 4,581,046 |

2009-10 Budget Proposal

| INCOME | £m | EXPENDITURE | £m |
|----------------------|------------|---------------------------|-------|
| Assessment | 12.0 | Core Costs | 13.6 |
| Levy (15%/9%) | 1.1 | | |
| MCF | 0.5 | | |
| Other | 4.7 | Priority Discretionary | 6.1 |
| Tg Ass't Fund | 1.5 | Innovation E ³ | 0.3 |
| MCF | 0.2 | | |
| CGC | | | |
| World: | | | |
| WMF | 3.4 | WCR Grants | 4.9 |
| WMF | 1.8 | Partners Conference | 0.3 |
| Britain: | | | |
| MiBF | 1.2 | CPF Distribution to DAFs | 2.0 |
| CPF | 3.1 | CPF to CGC | 2.0 |
| Other | 1.0 | Other MIB Grants | 1.9 |
| CPF | 0.6 | | |
| | <hr/> | | <hr/> |
| | 31.1 | | 31.1 |

Living a Financial Discipleship
Connexional Team Budget 2009-2010

- i. The Connexional Team budget for the year 2009-10 seeks to respond to the financial challenge to the Methodist Church of living as a body of disciples of Christ in the modern world. Aiming to work in a way which is modelled on a life of Christian discipleship requires of the Team the recognition of and considered response to the limitations set upon it. This aim also requires focusing energy and resources on those areas which most effectively enable people and money to deliver, to the highest possible standard, that which the Team can uniquely or best offer to the wider Connexion.
- ii. The following paper sets out the fundamental principles of the financial discipleship the Team seeks to advocate, provides at various points illustrations of work from around the Team which embodies those principles, and sets out an overview of the practical financial ramifications of faithfully following the principles discussed.
- iii. Appendix 1 to this document sets out the financial framework for the Team as agreed by the Conference in 2007, within which the budget for 2009-10 is constructed.¹
- iv. Appendix 2 summarises the roles of the various clusters in the Team and their key activities and identifies examples of work that fulfil their responsibilities which are notable features of the budget for 2009-10. These features include provision for particular events or facilities, new staffing, or innovative areas of work.

1. Financial Discipleship

- 1.1 The guiding principles underlying the budget proposal for 2009-10 have been combined to embody the best form of financial discipleship the Team believes it can realise. The importance of being guided by and, indeed, encouraging the whole Church to advocate, particular principles of financial planning is a form of responsible, faithful discipleship which must not be underestimated.
- 1.2 This discipleship manifests itself in three particularly notable ways.
 - 1.2.1 First, it ensures a financial planning which allows the Team to fulfil the core duties asked of it by the Conference.² In essence, this involves ensuring, as far as funding can help, the successful execution of work which the Team *must* do to allow the broader Church throughout the Connexion to continue to provide an effective witness to the Gospel. Core functions allow the completion of the Team's basic supporting functions for Methodist churches, circuits, districts, regional training networks and governance bodies.
 - 1.2.2 Secondly, financial discipleship requires the planning and foresight to provide financial freedom for the Team to pursue substantial pieces of work which enhance or add to the

¹ For more detail on this framework, see *Reconfiguring the Connexional Team: Team Focus 2005-08*, (Agenda, 2007) Section 4.

² Core Connexional Team costs were defined in *Reconfiguring the Connexional Team: Team Focus 2005-08*, (Agenda, 2007) Section 2.16 as the full cost of employing and supporting the permanent staff of the Team and their work; Discipleship and Ministries expenditure (e.g. the costs of ministerial formation); costs arising from formal Church relationships (e.g. the World Methodist Council (WMC) and Churches Together in Britain and Ireland); the costs of connexional bodies organised through the Team (e.g. the Conference and the Methodist Council); the full costs of the regional Training Officers; the stipends of the district Chairs.

mission work of the wider Church. These areas of work go beyond simply allowing the Church to continue in its mission, instead doing that which the Team is uniquely or best positioned to do that augments this. In particular, this work will be directed towards mission priorities identified each connexional year. For 2009-10 this priority will be the equipping of world-changing discipleship throughout the membership of the Methodist Church. The attempt to identify and pursue new challenges and opportunities such as this should enable greater steps across the Connexion to be taken in mission and in embodying Christian love than could be achieved by individual churches or other Church bodies alone.

- 1.2.3 Thirdly, responsible financial discipleship requires our looking at a larger picture than the Church's aims year by year and considers the long-term financial position of the Methodist people. This can cause the Team to encourage either greater spending or restrictions in our budget. Its impact will depend on circumstance, economic climate, and the requirements of an effective response to both the mission priorities of the Church and also the fluctuating financial position in which the Church finds itself from year to year.

2. Implications for the Team in 2009-10

- 2.1 The Connexional Team budget for 2009-10 has been developed at each level and at every stage of planning to achieve the outcomes as the Team perceives those of a true and faithful financial discipleship that adheres to the above definition. The Team must remember that, being a connexional body funded primarily by the Methodist people in local churches, its responsibility to them is paramount.
 - 2.2.1 The first clear result of this is that all core costs of the Team must be met in order to allow the Team to achieve its role as servant of the Conference in facilitating the extensive and diverse work of the Methodist Church. The budget's separation into core and priority discretionary expenditure allows the identification of those areas of work which are required to allow this basic purpose of the Team to be continued.
 - 2.2.2 Core costs cannot, however, be limited simply to providing the same level of efficiency and to using the same working systems as have previously been provided and used. The imperative of *Team Focus* that the Team minimise and simplify all its administrative procedures and working processes requires the budget to allow a service which is as efficient and comprehensive as possible. As a result of this, the strategic leaders have identified an aim for the working systems of the Team to be "highly professional and distinctively Christian". Money must be appropriately directed to ensure the most efficient facilitation of core functions so the mission aims of the Methodist Church can be most effectively pursued.

The Support Services core budget asks for £20k to be provided for professional fees to allow staff to be trained properly in new IT systems relating to its finance department. The effective roll-out of a new purchase order system will require professional training and an investment of staff time. The long-term benefits of investment in this area are clear. Proper use of the purchase order system will allow greater knowledge of and control over all which the Connexional Team spends. It will make the Team's budgeting process far quicker and more accurate than has ever previously been possible, dramatically reducing the drain on time and resources such work has previously caused, allowing staff to focus on work elsewhere. This training will also facilitate accurate financial forward planning. It will be possible to provide detailed estimates of the long-term cost of plans and ideas for new work, allowing far greater knowledge of the financial impact of work plan priorities throughout the Team.

- 2.2.3 It must be remembered that there is a valid debate around where the limits of core functions lie. The Conference definition includes the employment and support of permanent staff *and*

their work. This means the Connexional Team is required to make considered judgements as to how different aspects of its work fit into this core category. Allowing staff to do their jobs cannot simply mean that the Team employs them to sit in Methodist Church House and provide basic, responsive, administrative support to the wider Church. Rather, in order to fulfil the requirements of Team job descriptions, staff must be given the working and financial freedom to make the most of their roles. They must drive forward work according to the boundaries set in their job descriptions, and instigate developmental or new work that fulfils responsibilities put upon them. The breadth of some of the tasks contained within Team job descriptions calls on post holders to take proactive steps in developing new work, seeking out with creativity and zeal opportunities for innovative activity which, according to the definition set by the Conference, would be considered core functions of the Team.

The budget for the Discipleship and Ministries (D&M) cluster includes provision for four full-time staff to support and develop the Church's Children and Youth work. The Children & Youth budget includes provision for new, developmental work on JMA and World Action – two programmes which seek to incorporate children and young people into the mission of the World Church and, in turn, to enrich their everyday discipleship with perspectives and insights drawn from the World Church. This new work will involve consultations with children, young people, JMA Secretaries and other stakeholders across the Connexion, working collaboratively with the World Church Relationships staff in the Christian Communication, Evangelism and Advocacy (CCE&A) cluster. Areas such as this demonstrate the innovative work performed by members of the Team as an expression of the core tasks given to the Team by the Conference.

- 2.3.1 The second clear result of the Team's duty to the Methodist people who sustain its finances takes into account the second and third aspects of financial discipleship identified in Section 1. The Team must be aware of its financial limitations, particularly in light of the recent critical downturn in the global economy. The Connexional Team is appreciative of the financial stability it possesses because of the generous provision of the district assessments. This support allows the Team to plan better and with greater confidence than most charitable organisations could, relying on a core income which remains relatively stable throughout any economic climate. However, less stable income, which is directed to costs beyond our core functions, is as difficult to predict as that of any other organisation and will almost certainly reduce in the years ahead.
- 2.3.2 At the same time as acknowledging this limitation, a balance must be drawn. We cannot simply abandon work the Church knows to be critical to our mission aims because of a false idea of protecting security or a notion of financial stewardship which seeks to store up or protect our worldly material treasures in ways warned against in Scripture.
- 2.3.3 The work the Team intends to do beyond its core functions, and thus that for which it has budgeted as priority discretionary, has therefore been decided upon through a process of discerning priorities. The budget planning process for the Team has been constructed around a critical review of all ongoing priorities of Team work and the identification of new ones in line with the Church's calling in response to the Gospel. This has involved listening to the Church, the Council and the Methodist people to discern what we need to do in the near future to take the work of Methodism forward, delivering resources beyond the basic definition of the core functions of the Team.

3. Striking the Balance: Criteria

- 3.1 Defining where limits should be set and what work should be pursued above and beyond that which might be defined as the Team's core functions requires establishing criteria for prioritising this additional work.

- 3.2 The following section sets out the criteria by which this definition of limits has been achieved for the connexional year 2009-10.
- 3.2.1 In accordance with the financial framework set for the Connexional Team in 2007, the key outcome of honouring our financial responsibilities is that money effectively supports the Connexion in its challenge to deliver work that conforms to the *Priorities for the Methodist Church* document.³ Striving for this outcome provides the fundamental basis for the task of prioritising work towards which money has been channelled.
- 3.2.2 The *Priorities* document sat at the centre of all *Team Focus* work, providing an axis for reconfiguring the Team which ensured a practical theological outline for the rationalisation of Team functions. It therefore continues to provide the framework and boundaries for setting out strategic objectives for the Team's present financial plans. Thus, throughout the budget will be found an emphasis on work which drives forward mission aims in the areas of worship, learning and caring, service, and evangelism.

The Priorities emphasise the encouragement of 'fresh ways of being Church' and nurturing 'a culture in the Church which is people-centred'. This renewal, focusing on the concerns and aspirations of Church members and on those who have little or no contact with the Christian community, is at the heart of the Youth Participation Strategy, which is held within the D&M cluster budget. The Strategy forms a key part of a wider programme of engaging with children and young people in their distinctive sub-cultures, while equipping the Church to change in response to their concerns and aspirations. The strategy involves each District employing one young person aged between 16 and 23 on a year-long gap placement. These young people will be supported by full-time Regional Participation Workers and by a Participation Development Officer and two Participation Workers in the D&M cluster. The Strategy's vision of youth participation at all levels of the Church also includes a full-time Youth President, selected annually. All the young people involved will be supported in developing networks within their peer groups, and will be enabled to bring to the attention of the wider Church those issues that are prevalent in the lives of young people and their communities.

- 3.2.3 The four overarching aims in the *Priorities* document have been distilled into emphases on particular practical tasks and specific areas of short and long-term work. This distilling process has provided clear direction for budget planning, beginning with signposts set out in *Team Focus* literature. *Team Focus* reports to the Conference identified for the future clear working priorities. These include embedding best practice in Equalities and Diversity (E&D), becoming a communications hub for the whole Connexion, and significantly shifting working emphasis onto children and young people, the missing generation and world church relationships. The budget for 2009-10 seeks to reflect these emphases, providing sufficient resources to ensure we live up to that which was promised.

The budget contains in its priority discretionary costs the provision of £250k for the World Church Relationships office to facilitate an all-partners consultation event to coincide with the centenary of the 1910 Edinburgh Mission Conference. The event will draw together Methodists from around the world to meet, develop relationships and discuss issues of global importance. The overarching purpose will be to establish how we might work more collaboratively in supporting each other across regions, rather than placing Britain at the centre of the World Church. Such an event benefits not only the Methodist Church in Britain, but will be of great significance in strengthening our relationships with World Church partners and those of our partners themselves. Allowing the Methodist Church in Britain to be a driving force for this work, allowing the Connexional Team to run the event in such a way that no partner is excluded for financial reasons, would place us at the forefront of the mission aims of the Church and fulfil the Team Focus objective that the Team put emphasis on developing its World Church relationships. This

³ *Reconfiguring the Connexional Team: Team Focus 2005-08* (Agenda, 2007) Section 4. See Appendix 1 to this paper.

will be a clear step forward in supporting the common life and common purpose of global Methodism.

- 3.2.4 A key document for discerning how best to translate the overarching aims of the *Priorities* into specific objectives when planning expenditure across the Team has been the Connexional Team work plan. The work plan approved by the Methodist Council in October 2008 will continue to be followed into the next connexional year and a new one prepared during that year. This, like that for 2008-09 before it, will set out the practical ramifications of Conference and Council decisions and categorise each in terms of priority, according to how work reflects a pressing response to the *Priorities* in line with the *Our Calling* document. In accordance with this, each cluster has budgeted to pursue work which is of particular priority within the work plan that will continue into the next connexional year.

Instructed by the Conference to complete preparatory work in this area in the current connexional year, the Projects cluster has prioritised in its work plan the completion of the transition project on Methodist Heritage. For the first time, in 2009-10 a new Methodist Heritage Officer, a new Methodist Heritage Committee and the provision of considerable resources will bring together coherent, effective oversight of Heritage and Archives and History work in the Connexion. These provisions will support the Methodist Heritage centrally through grants (via the Connexional Grants Committee), events and wider heritage site support to enable the development of Methodist Heritage in all its forms as a vital tool for the mission of the Church. Methodist Heritage will serve to promote the concern for and understanding of our shared history as a vital part of Methodist identity and harness our past as an aid for evangelism now and in the future.

- 3.2.5 Across the spectrum of Team work, there has been a particular concern to provide sufficient resources to realise the *Team Focus* objective that we deliver a marked shift towards supporting innovation and priming creative responses to the overriding challenge of being the Church, prioritising inventiveness, creativity and the taking of risks.⁴
- 3.2.6 In accordance with the 2007 financial framework set out in Appendix 1, income which we receive from sources other than the district assessment and fund charges will be directed, wherever possible and desirable, towards innovative, challenging new work. This work will have the potential to provide pioneering steps in pursuit of the *Priorities* and the key mission aims of the Methodist Church. Approved innovative projects will be pursued alongside stimulating effective and experimental mission work, both in this country and in partnership with churches around the world. The rationalisation of funding sources achieved through the 2007 framework ensures that the budget for 2009-10 directs funds from such sources as legacies, donations, grants and investments increasingly towards a direct support of innovative work of the nature encouraged in the *Team Focus* process.

The Projects cluster contains within its priority discretionary budget approximately £125k for the instigation of the Belonging Together project. Ensuring the project can go ahead will require the honing of ideas and of potential into specific aims and objectives and the development of a project outline and a work programme which can be shown to be of clear connexional significance. If this can be done, Belonging Together could provide for the whole Church an innovative, developmental way of providing resources, education and sharing in the field of E&D. The Belonging Together concept seeks to ask how we can improve the Church's attitude to diversity, driving Methodism forward to the point of embracing and seeking to learn from Methodist communities in Britain whose members are of different ethnic or language backgrounds. If a suitable project outline can be developed in 2008-09, the project will begin in 2009-10 and will

⁴ *Reconfiguring the Connexional Team: Team Focus 2005-08* (Agenda, 2007) Section 2.53 set the objective that the Team become a seed-bed for innovation and risk-taking, mission-focussed activities.

have the purpose of enhancing our approach to E&D through developing a new level of understanding of the diversity of British Methodism. This will ensure that across our Church, in regional training networks and throughout the Team, new ways of working that go beyond standard E&D approaches are found, looking at diversity as a gift to be nurtured.

- 3.2.7 As mentioned in Section 1.2.2, for this year's budget, the Team has proposed that a critical criterion for prioritising the channelling of funds in 2009-10 be a specific mission priority. Within the framework of the *Priorities*, an emphasis on promoting a deepening of the culture of discipleship within the Church has been chosen as the particular objective for 2009-10.
- 3.2.8 With the approval of this mission priority by the Methodist Council, such a focus should facilitate the equipping of the Methodist people to deepen their own understanding and experience of what it means to be a disciple of Christ in all aspects of their lives. The Team's hope is to equip and enable world-changing disciples.

Throughout the priority discretionary budgets of the Team will be found provision for developmental projects and innovative work to advocate and promote the Church's efforts to equip and enable the world-changing discipleship of all those whom the Church can reach. Taking the CCE&A cluster as an example, the Evangelism, Spirituality and Discipleship (ESD) team has included within its budget provision to set up a group to formulate and pilot a catechesis resource to initiate adults into faith communities, money to develop the Disciple training programme, and also to fund a new project to develop, ecumenically, a faith-sharing resource. Within the communications team, in addition to standard discipleship-equipping publications such as the Prayer Handbook, there are plans to finance two new editions of the '...In Your Pocket' series, which provide themed introductions to various aspects of discipleship and address how these might impact on the daily lives of Methodist members. In the Joint Public Issues Team (JPIT) budget is found provision for financing new work on climate change. This emerges from the Methodist Council's instruction that a report on theology and climate change be presented to the Conference. That report, called Hope in God's Future: Christian Discipleship in the Context of Climate Change, will, if adopted, instigate work within the Team to equip Christians, both individually and corporately as Church, to respond to the challenge of climate change practically and theologically in their lives as an aspect of their own discipleship.

4 Financial Implications

- 4.1.1 A financial plan for the Connexional Team which can truly be understood as promoting and embodying a form of financial discipleship must work on the above principles and criteria, but balance this wisely with the reality of available funds. Recognising the Team's limitations and boundaries involves not only the limits of what we can uniquely or best do, but also the impact of where we find ourselves financially and where we predict we will be in the years for which we budget.
- 4.1.2 The financial impact of realising a true discipleship is a very real consideration. In a number of ways, it has led to difficult decisions. Financial restrictions and proper discernment of that which the Team can best or uniquely offer means we have chosen to defer work and limit that which we expect to do in 2009-10. However, the duty of discipleship calls on the Team not to shy away from its responsibility to do all that it can up to the boundaries of its limits, not missing opportunities for furthering the mission of the Church.
- 4.1.3 The following sections describe a number of the practical financial repercussions of the Team's considered response to its limits, its calling and its instructions.
- 4.2 The 2007 financial framework for the Connexional Team warned against consuming additional resources which could be better used in promoting the Church's mission aims

elsewhere. In line with this imperative, the task of reducing the volume, and therefore the cost to the Connexion, of core Team functions by 30% has been substantially realised.

- 4.3 Despite these reductions, the strategic leaders of the Team have recognised that the ideal funding arrangements for core Team work as set out in 2007 cannot be realised by 2009-10. The reasons for this are threefold:
- 4.4 First, the transition instigated by *Team Focus* is not yet complete, and will not be so by the beginning of the year 2009-10. In a number of areas, *Team Focus* reconfigurations were deliberately delayed until its initial stages has been completed; in others the transition process took longer to complete than was predicted in 2007 and subsequently later aspects of reconfiguration work had to be delayed. Because the reconfiguration of the whole Team will not have been completed, the budget for 2009-10 cannot take into account all of the monetary savings that will result from the streamlining of staffing, functions, and processes that will ultimately result from the reconfiguration.
- 4.5 Secondly, the current deficit in the lay pensions fund, which is funded directly out of the Connexional Team budget, raises the per capita cost of each member of the Team to a degree far greater than had been previously anticipated.
- 4.6 Thirdly, the SRC advised the Team that financial difficulties should not be eased by making redundant any staff who had been through the redeployment process of *Team Focus*.
- 4.7 A great deal of work was done during *Team Focus* to rationalise funding streams within the Team's budget. It was agreed that core costs of the Team should be met predominantly by the district assessments and a charge to funds for administration costs. Although this rationalisation process has been achieved, the three factors identified above mean that core costs for 2009-10 cannot be fully covered in this way. Reserves will need to be drawn upon to achieve the core functions of the Team if the funding streams are to be maintained.
- 4.8 This rationalisation of Team funding streams described above sought to direct income above and beyond the district assessments and charges for the provision of grants, both home-based and international, and for funding innovative new work. The strategic leaders of the Team believe that this distinction of funding sources must be maintained and that the costs of core functions should not be met by resources which *Team Focus* specifically aimed to exclude from being directed into core costs.
- 4.9 Section 3 of this document sets out the selection process by which additional work to the Team's core functions has been prioritised, and thus in which direction funds from sources other than the assessments and charges should take within the budget for 2009-10.
- 4.10 It is, however, the case that a draw on reserves will also be necessary in order to achieve this priority discretionary work to the degree which is desired. This is primarily the case because of the current economic recession. Although the estimated income for 2009-10 remains broadly the same in terms of district assessments as in 2008-09, all other estimates are significantly lower. In addition, at this stage we are unable to predict with accuracy the income which fundraising activities in the Team will generate.
- 4.11 Figure 1, below, illustrates the proposed funding streams for 2009-10.⁵ It differs from the ideal model set out in the 2007 financial framework for the Team decided by the Conference (for that model, see Figure 2 in Appendix 1) in only the addition of one further arrow from the reserve funds into core costs.

⁵ Note that, for the sake of clarity, the traditional names for connexional funds are used here, although in 2009-10 the revised names will come into effect.

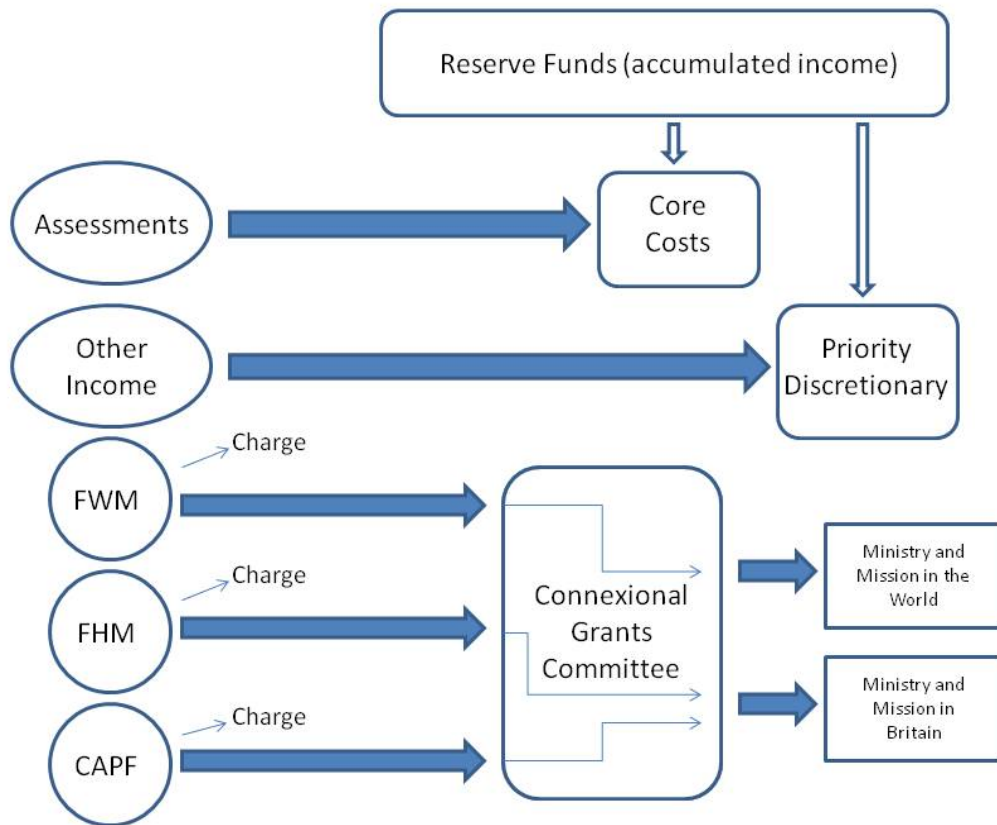


Figure 1: Proposed funding streams for 2009-10

- 4.12 Although drawing on reserves is perhaps not the ideal, the need to do so was anticipated and is in strict conformity with the reserves policy set for the Team during *Team Focus*. This policy recognises the need to draw down from reserve funds, using accumulated income in order to achieve important work and accepts that money not spent is money not used for the mission of the Church, which must be the Team's primary aim.⁶
- 4.13 In order to provide clarity in terms of work which the Team must perform as core functions and that which is outside of that remit, significant work has gone into distinguishing in the budget core cost items and that which is priority discretionary cost. This also allows the clearer identification of where particular types of income (including accumulated income) are to be directed in 2009-10, and the figures involved in each area.
- 4.14 It must be reiterated that the costs identified as outside of core functions encompass a great deal of work which, by definitions set out by the Conference in *Team Focus* literature and by the considered judgements of senior Team staff, is still essential. The distinction of core and priority discretionary does not provide material for a cut-and-dry answer to reducing Team costs by providing a list of work from which we can simply opt out. This would fail to recognise that a Team that only does work which is strictly speaking 'core' would fail in its responsibility to the Methodist people and in that which the Conference has directed it to do.

Priority discretionary work is often still pressing or even essential for the proper functioning of the Team in fulfilling its working duties and responsibility to the Connexion. As a prime example, that which is not core in its strict definition encompasses almost all functions of the Projects

⁶ For the reserves policy, see *Reconfiguring the Connexional Team: Team Focus 2005-08* (Agenda, 2007) Section 4.11-15; The Methodist Council, 30-31 March 2007, Vol. 2, Part B: Team Focus Papers, Supporting Paper G: *Reserves Within Connexional Funds*, pp. 96-97.

cluster. To decide that only core functions should be budgeted for and that priority discretionary work should be cut to save the draw on reserves would therefore leave the Team unable to deliver key mission work for which Team Focus reconfigured the Connexional Team. In just this one area, vital functions such as completing the remaining essentials of the Team Focus process, developing our work on Venture FX (previously Pioneer Ministries), and establishing a project to address the missing generation issue would be unachievable. In short, the Team would be unable to provide the service required of it.

LFD Appendix 1: Financial Framework for the Connexional Team as agreed by the Conference in 2007

- A1.i. The following provides a short summary of the principles underpinning the financial framework developed for the Team by the Conference during *Team Focus* and the resulting practical measures for the management of funds that have been implemented.
- A1.ii Figure 2 (below) illustrates the budget streams which result, ideally, from these arrangements. This should be compared to Figure 1 (at Section 4.11) which sets out the proposed funding streams for 2009-10. Note that, for the sake of clarity, the 2008-09 names for connexional funds have been maintained, although these will be revised in 2009-10.

Principles

- A1.1 In order to put the *Priorities* into practice the reconfigured Team needs sufficient resources of people and money to undertake, to a high standard, the tasks it can uniquely or best offer to the wider Connexion.
- A1.2 Having secured such resources, it is equally important that the Team does not consume additional resources that would serve the Church's mission more effectively if used in other ways. Team costs should be reduced by around 30%, funding only that which it can uniquely or best deliver.
- A1.3 The pre-*Team Focus* systems for Team budgeting did not provide an open and direct flow of money from particular income sources to the specific parts of our various outgoings. Clarity and simplicity in the flow of funds to outgoings should be achieved in the new framework.
- A1.4 The core costs of running the Team should as far as possible be covered from predictable income sources.
- A1.5 The main connexional funds should contribute via a charge for the cost of administering their work.
- A1.6 The connexional reserves should demonstrate a wise balance between containing too little (and being knocked off course with every unexpected call on finances) and having too much (and failing to grasp opportunities for important mission work).

Practical Measures

- A1.7 Core costs of the Team should be covered by the connexional component of district assessments plus a small charge to the connexional funds.

- A1.8 FWM income should finance directly international grants and partnership development, including personnel (SO 362).
- A1.9 FHM and CAPF should be channelled directly into home grants.
- A1.10 Unpredictable income should be used to finance unexpected costs and Team work which is new and innovative [now called priority discretionary expenditure].
- A1.10 The reserves policy will result in the reduction of free reserves in the years following 2007 to release more funds for the mission of the Church and cover costs associated with the Team's transition process.

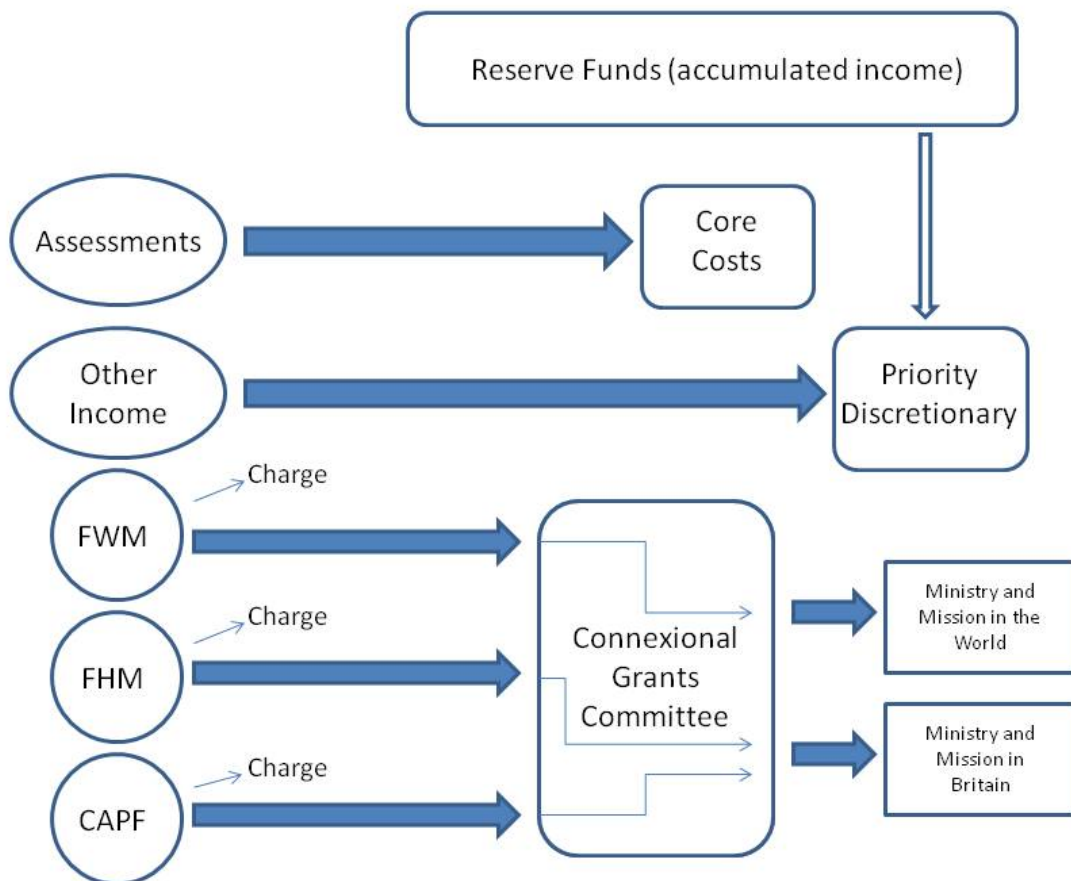


Figure 2: Ideal model for the direction of funds based on the 2007 financial framework.

LFD Appendix 2: Cluster Aims and Working Examples

A2.i In each of the Connexional Team clusters, budget submissions have been formulated to support and enable the strategic aims of that cluster to be achieved, with specific objectives and outcomes in mind as desirable results of achieving those aims. The following sections set out some aims and objectives for each cluster, identifying the number of staff who appear in the budget for 2009-10 and describing briefly key examples of how, in one particular area, budgeting provision has been made to ensure specific objectives for the year which can be achieved.

A2.1 Projects

Staff: 16.5 fte, of which 11.5 fixed-term projects staff

A2.1.1 The Projects cluster exists to turn creative ideas into grounded action that will help the whole Church. The purpose of the cluster is therefore to manage professionally the connexional projects that have been designated to the work of the Connexional Team and to support the work of the Connexional Team Strategic Leaders and Senior Managers.

A2.1.2 Key general tasks include:

- providing the support and creative freedom to develop high risk/high gain projects;
- managing the projects approval process;
- overseeing approved connexional projects from outset to completion, testing, evaluating, and taking specific managerial responsibility, where necessary;
- learning lessons from projects work and disseminating these efficiently and effectively throughout the Connexion;
- providing executive support to the Strategic Leaders and Senior Managers;
- research and development work to support the leaders of the Team and to influence the strategic direction of Team policy.

A2.1.3 Specific Projects identified for implementation in 2009-10 include Women's Network and interfaith development work, the *Inspire Network* mission spirituality project, the *Belonging Together* E&D-based project, *Venture FX* (previously Pioneer Ministries) and chaplaincy research work. In addition, the cluster will provide support work for the reviews of the Manchester office and the Team's Finance department; the Education Commission; the Joint Implementation Commission for the Anglican-Methodist Covenant and the development of an E&D policy for the Church.

A2.1.4 The evolution of the Women's Network was instigated by *Team Focus* and will continue in 2009-10 as a Projects cluster priority. The project seeks to formulate a new structure for the movement which enables it to stand alone, whilst establishing appropriate links to other Church bodies and to the Connexional Team. The budget for this project seeks to provide the necessary resources to continue to assure that on which Women's Network has built its reputation and to go beyond basic working functions to provide a creative and interactive developmental programme. This will provide the long-term means to empower women, locally and across the world, to fulfil their potential and which will work towards creating a truly inclusive Church. Important aspects of this work indicated in the budget for 2009-10 include £20k to hold a conference in collaboration with the World Federation of Methodist and Uniting Church Women. This will draw people together to allow the nourishing and nurture of work that supports the Women's Network project and its development and will equip delegates with training and information in order to embed this support.

A2.1.5 The connexional project called *Inspire Network* is a brand new piece of work, due to be launched at the start of the connexional year 2009-10. Provision has been put into the Projects cluster budget to develop what could become an important resource for nurturing 'mission spirituality' amongst the leaders of Methodist congregations across the Connexion. *Inspire* will seek to work with ecumenical partners to create a school and a series of 'bands'

which train and support spiritual leaders as they engage in evangelistic mission in their particular contexts.

A2.2 Discipleship and Ministries

Staff: 11.5 fte and 43 additional staff relating to the Youth Participation Strategy work.

A2.2.1 The D&M cluster equips the Methodist Church's ministries, so that they, in turn, can equip the world-changing discipleship of the people of God. It equips ministries which enable God-centred worship and prayer; ministries which help the people of God to grow and learn as Christians; ministries which engage with and encourage the everyday discipleship of the people of God in the world; and ministries which catalyse acts and patterns of witness and evangelism.

A2.2.2 Key tasks of the cluster include:

- challenging, refreshing and developing the Church's strategic thinking about the ministry of presbyters, deacons, local preachers, worship leaders and others exercising leadership in circuits, local churches and fresh expressions of church;
- collaborating on policies for vocational exploration with Discernment & Selection staff;
- consolidating and implementing a connexional learning and development strategy, which includes:
 - resourcing initial, continuing and reflective learning and development of ordained and authorised ministers
 - resourcing learning and development activities through the regional training networks
 - resourcing Training Officer (TO) posts and supporting the TO network
- coordinating and encouraging the work of Methodist chaplains in formal and informal networks, and nurturing links between chaplains and the wider Church
- equipping the Church's ministries both to engage with children and young people in their distinctive sub-cultures, and also to be responsive to their concerns and aspirations;
- facilitating structured conversations at a connexional level about *Mapping a Way Forward: Regrouping for Mission*, resourcing District Development Enabler (DDE) posts and supporting the DDE network.

A2.2.3 The cluster's overall emphasis on equipping ministries to equip discipleship can be illustrated by taking the cluster's learning and development work as an example:

A2.2.4 The majority of the cluster's budget is dedicated to the initial, continuing and reflective development of ordained and authorised ministers. Many of these resources will be channelled through the regional training networks. Connexional learning and development priorities focused on discipleship will guide the regional training networks to focus on providing learning and development provision which equips ordained and authorised ministers systematically to nurture and engage with the discipleship of the people of God in their locality. A component of the undeveloped learning and development budget will be used to develop strategies to ensure that this learning and development provision is available beyond the traditional leaders of the Church, to all those who exercise local worship-leading, teaching, pastoral and evangelistic ministries.

A2.2.5 New emphasis within the budget for the continuing learning and development of ordained ministers is placed on equipping superintendent ministers, acknowledging their role as key leaders in the Church. Existing learning and development schemes have targeted approximately 25% of superintendents each connexional year. New schemes will aim to incorporate all superintendents on an annual basis. They will also seek to provide a holistic

pattern of provision, including discernment of the call to superintendency, pre-selection provision, induction provision and continuing learning, development and support. Working collaboratively with the regional training networks, the D&M cluster will facilitate the development of a community of practice within which superintendents can share experiences and knowledge and accumulate skills and understanding.

A2.3 Christian Communication, Evangelism and Advocacy

Staff: 40.9 fte

A2.3.1 The CCE&A cluster exists to enable and enhance the Church's ability to speak of God and of the Christian faith within Methodism and in the wider world.

A2.3.2 This general aim involves such tasks as:

- maintaining lively relationships with World Church partners, mission partners and counterpart professionals;
- enabling the voice of the Methodist Church to be heard in the public domain so that local and national issues are influenced and Methodist disciples are encouraged;
- listening to the Church's needs for published and online resources and producing and marketing these to the highest standards;
- providing for the communication needs of the Church;
- linking networks of practitioners in faith sharing and local communication, advocacy and campaigning, and rural and urban mission;
- enabling Methodists to give generously and intentionally to the world-changing work of God's mission in Britain and across the world.

A2.3.3 The cluster aims to deliver a more professional service in these areas, whilst always maintaining a distinctly Christian and distinctly Methodist approach. Staff are committed to listening to the signs of the times and to voices speaking throughout this and partner Churches, ensuring that what the Team delivers is effective, inspiring and timely.

A2.3.4 In 2009-10 significant resources will be channelled into efforts to create a cross-Team fundraising strategy for the whole Church and to instigate processes and develop resources that allow that strategy to become as effective as possible. Within the fundraising section of the CCE&A budget has therefore been provided a minimum of £12k for purchasing new fundraising software systems, which will allow integrated and efficient donor database to be created. In addition, up to £83,450 is included in the priority discretionary fundraising budget for the proposed development of materials and resources for a new connexion-wide fundraising campaign called *Send the Light* (working title). This campaign, if approved, would seek to update the Team's approach to fundraising, providing a modern, professional service integrated into the mission aims of the Church and the communications strategy of the Team. As part of a broader fundraising strategy *Send the Light* will focus on encouraging the regular monthly giving from Methodist members for local, national and worldwide mission purposes. It aims to bring into the general funds of the Church more sustainable, reliable income from giving, and to significantly increase the level of income which is gift aided.

A2.3.5 Another key area in the budget for CCE&A is to establish Methodist Publishing as an effective trading entity and to deliver, according to the criteria which the Strategy and Resources Committee has defined, a focused service for the Methodist people. This will involve the transfer of continuing *mph* functions into the Team to create a seamless, integrated process that unites design and distribution functions in Peterborough and London. Work in this area will also ensure the informed development of Methodist publications that support and disseminate the work of the Team or of the governance bodies of the Church and which develop and equip whole-life, world-changing disciples.

A2.4 Governance Support

Staff: 8.7 fte

A2.4.1 The Governance Support Cluster supports the Methodist Church in fulfilling its mission through enabling the proper functioning of its legal and constitutional responsibilities as laid out in its foundational documents and subsequent constitutional materials approved through the Conference. The cluster will assist the Church to develop continually its governance arrangements, enabling it to live out *Our Calling* and the *Priorities* in new and innovative ways.

A2.4.2 In order to achieve this, the cluster will:

- develop and apply appropriately experienced and specialist expertise in legal and governance matters;
- provide reliable support and guidance for the constitutional and timely functioning of the governance bodies of the Church
- assist the Secretary of the Conference, the Team Secretaries and the wider Church in developing the Church's mission and ministry in full compliance with the general law, internal Methodist legislation and the discipline of the Methodist Church
- facilitate theologically-informed developments in leadership, management and governance;
- prioritise, enable and embed within the Team work in the areas of safeguarding, E&D, faith and order, law and polity and ecumenical relationships.

A2.4.3 In the process of doing this, the cluster will keep under review formal procedures in order to reduce unnecessary bureaucracy and make Constitutional Practice and Discipline as accessible and user-friendly as possible.

A2.4.4 A significant development in the Governance Support budget for 2009-10 is the provision for one full-time member of staff and one transitional post to develop the Church's ability to grasp the challenges faced by developments in E&D. In addition, new networks will be created and supported to enhance the work of these Officers. It will be the aim of the E&D Officers to ensure that the Connexional Team operates in an inclusive manner, respecting people's equality and diversity, and that it complies with legal requirements in these fields. They will finalise the development of and keep under review an Equal Opportunities Policy (EOP) for the Methodist Church, enabling the implementation of EOP action plans for the Connexional Team and governance bodies of the Methodist Church. The Officers will also help to implement the EOP throughout the Connexion and develop training policies with Districts and training institutions which will encourage inclusion, participation and leadership development.

A2.4.5 The Governance Support budget this year seeks to provide sufficient funds for the increase in size and scope of the annual ecumenical Safeguarding conference for district and diocesan advisers. The event has been expanded from a one-day meeting to a two-day residential event, which will extend discussion and training in safeguarding issues from matters of the safeguarding of vulnerable children to also the safeguarding of vulnerable adults, which has not previously been addressed at this conference. The provision of increased funding (the cost of which will be later retrieved through delegates' fees and sponsorship) to expand the scope of the meeting is an important step in the recognition of the breadth of the Church's responsibility to protect all members of society who are unable to protect themselves.

A2.5 Support Services

Staff: 69.7 fte (of which 14 in Finance; 23.6 in Admin Support; 9 in Development and Personnel; 14.1 in the Manchester office)

A2.5.1 The Support Services Cluster exists to provide the support to enable work everywhere else in the Team to go ahead smoothly and efficiently. A range of services are provided in addition to the generous volunteer support offered to the Church from throughout the Connexion. The cluster seeks to provide and continually improve administrative, technical and specialist support to Team and wider-connexional functions.

A2.5.2 Key functions of the cluster include:

- financial planning and the running of the Team's financial processes, budgeting and software;
- the management of accounting and payroll systems for the Team and for some broader Methodist bodies;
- the incorporation of best practice in personnel into the processes of the Team's Discernment and Personnel (D&P) sub-cluster, including the distinctive area of vocational discernment and selection;
- provision of Team-wide administrative support;
- oversight and maintenance of all Team information technology.

A2.5.3 A key area of change in the Team has been the creation of the D&P sub-cluster, which has responsibilities relating both to lay employees in the Team and wider ministerial discernment and selection. To ensure the proper provision of support to ministerial and lay appointees, a Well-Being Officer has been added to the D&P team. Finances have been directed to fund this post and work associated with it specifically to promote a culture that reflects our Christian identity and protects the physical, spiritual, psychological and emotional well-being of those working for the Church. This work relates to those working in the Connexional Team and throughout the wider Connexion. The Officer will, for example, monitor the implementation of policies and practices which impact on the development of healthy working cultures in the districts. Where assistance can be most appropriately offered, the Officer will travel throughout the Connexion to identify areas for development in well-being matters and advise on the implementation of best practice.

A2.5.4 A continuing function of Support Services in 2009-10 will be to provide increased D&P support for the review and reconfiguration of the Team's Manchester office. This will ensure the implementation of the final stages of *Team Focus* can take place. To support this implementation work, Support Services has budgeted for additional transition support staffing in the D&P office for 2009-10. The review will also impact on permanent Support Services costs. In 2009-10, for the first time, the Support Services cluster will administer the grants-giving processes for almost all funds that are distributed by the Connexion through the Connexional Grants Committee. Two full time Grants Officers will work within a coordinated grants giving process across the Church. In addition, Support Services has allocated additional funds for the employment of a fixed-term transitional Grants Officer to enable the transition into the new connexional grants processes.

Appendix 5: All Partners Consultation 2010

In May 2009 the last of the Overseas Districts of the Methodist Church in Britain will become autonomous and this gives us a clear opportunity and, indeed, provokes us to consider what it means to be the Methodist Missionary Society in the 21st Century.

The modern missionary movement was reconfigured following the formative Edinburgh Conference 1910 and 100 years on from that also seems an opportune time to reconfigure our understanding of mission. Further, we have reconfigured our Connexional Team structures and this has emphasised how important our relationships with the world wide body of Christians is to Methodists.

With this in mind, the proposed budget for 200910 contains £250k in the priority discretionary category for an all partners consultation event. This consultation will enable us to look at significant issues with our partners. A priority concern on which the event will seek to make significant working progress will be the good use of resources, and in particular financial resources, to ensure we are using them wisely and not creating dependency. There are many questions around grants and dependency, accountability and capacity building, autonomy and responsibility (of/and) wealth and poverty. Also, the very real issue of congregations who are forming around cultural and language needs within our midst will be an important focus for work and discussion.

To work with our partners from the +/-70 countries in which Methodism plays a part on what our mission can be in this world together and separately is timely indeed. The event, which will allow this to happen, therefore comes recommended particularly by the General Secretary, the Secretary for External Relationships and the SRC.