

Connexional Allowances Committee – Report to the 2014 Conference

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Status of Paper	Final draft for submission to the Conference
Action Required	Decision
Draft Resolutions	31/1. The Council receives the report and recommends it to the Conference.
Alternative Options to Consider, if Any	See note above.

Summary of Content

Subject and Aims	To present the annual Report of the CAC to the Conference
Main Points	The report makes recommendations on the Stipends and Allowances for 2014/15 and provides information on the Funds and Trusts within the Committee's remit and work undertaken and planned by the Committee.
Consultations within or outside the Team	Through the input of Team members at CAC meetings

Summary of Impact

Standing Orders	N/A
Financial	Recommendations on stipends, other allowances above stipend and other expenses have an impact on budgets throughout the Connexion.

Report of the Connexional Allowances Committee

The Connexional Allowances Committee's Report to the 2014 Conference comes in two parts: part A covering the customary update on stipends and allowances, and including progress reports and recommendations on the special projects and reviews that have been undertaken during the year, and part B, the promised review of stipends, allowances and fees (which comes to the Council as a separate report).

Part A is divided into three sections, as follows.

1. Recommendations for stipends and allowances 2014-15
2. Report on Funds and Trusts within the Committee's remit
3. Other work undertaken and planned and by the Committee

The Committee's new recommendations are **highlighted** in the text.

1. RECOMMENDATIONS FOR STIPENDS AND ALLOWANCES 2014-15

- 1.1 The Committee makes the following recommendations, taking into account past Conference resolutions on Stipends and Allowances and data available from HM Government.

Standard Stipend

- 1.2 The resolutions of the 2012 Conference have been followed in determining the standard stipend for 2014-15. Using the index numbers published in October 2013, the CPI increase for the period September 2012 to September 2013 was 2.7% and the AWEI increase for the period July 2012 to July 2013 was 1.1%: the average of these is 1.9%. **In accordance with the recommendation on the stipend review formula agreed by the 2012 Conference, the annual standard stipend for the year beginning September 1st 2014 is therefore increased by 1.9% to £22,632.**

Additional Allowances

- 1.3 The following allowances are applied for ministers:

The President of the Conference	Any existing allowance, or 25% of standard stipend, whichever is the greater
Secretary of the Conference/General Secretary	30% of standard stipend
Separated District Chair	25% of standard stipend
Warden of the Methodist Diaconal Order	25% of standard stipend
Synod Secretary	5% of standard stipend
Superintendent	7 ½ % of standard stipend
Principal of a Training Institution	25% of standard stipend

Staff member of a Training Institution	20% of standard stipend
Connexional Team Secretary ¹	30% of standard stipend
Other ministers serving in the Connexional Team or stationed to appointments within the control of the Methodist Council	20% of standard stipend

The above result in the following allowances for 2014-2015:

	£
The President of the Conference	5,658
The Secretary of the Conference/General Secretary	6,790
Separated District Chair	5,658
Warden of the Methodist Diaconal Order	5,658
Synod Secretary	1,132
Superintendent	1,697
Principal of a Training Institution	5,658
Staff member of a Training Institution	4,526
Connexional Team Secretary	6,790
Other ministers serving the Connexional Team or stationed to appointments within the control of the Methodist Council	4,526

Relocation Allowance

- 1.4 The Committee recommends that the tax free allowance payable by the receiving circuit (or other responsible body) to ministers upon moving manse remain at £600 and, in the case of two ministers sharing the same manse, it is one payment of £800.

Travel Allowances

- 1.5 The Committee continues to recommend that the maximum rates as prescribed by HMRC's 'approved mileage allowance payment scheme' (AMAP) be observed. If alternative mileage rates exceeding those allowed by the appropriate tax authority are paid locally then it is necessary for this income to be declared to the tax authority and it will give rise to a tax liability on the individual concerned. It is emphasised that this should be regarded as a personal liability – involving the individual and HMRC – and not require handling by the Church's officers, centrally or locally. Any changes to HMRC approved rates will be considered by the Committee and presented to Conference for approval before implementation, so as to avoid unexpected cost increases mid-year.
- 1.6 The Committee continues to remind the Methodist Church of our commitment to reducing our carbon footprint, and wishes to encourage people to use public transport and share cars wherever possible.

¹ This category comprises the Assistant Secretary of the Conference, who is also Head of Governance Support, and the Connexional Secretary (when the post is held by a minister).

1.7 The following travel expense rates will apply to ministers, supernumeraries, lay employees in churches, circuits and districts and lay volunteers:

Car: up to 10,000 miles	45p per mile
over 10,000 miles	25p per mile
Motor-cycle	24p per mile
Bicycle	20p per mile
Additional passenger rate	5p per mile

1.8 The Committee recommends that the travel allowance (taxable) for ministers during a time of sickness remain at £315 for each complete period of three months. It is further clarified that this grant applies during periods of recuperation from ill-health for up to one year.

Sabbatical Expenses and Levy

1.9 It is recommended that the maximum amount that may be claimed to cover expenses during a sabbatical continues at the level of £800 agreed in 2013.

1.10 The sabbatical levy will remain waived in 2014-15 but the Committee will review the financial position of the Sabbatical Fund again during the year, with a view to reinstating the collection of the levy, at an amount not greater than £60 per minister, from September 2015. A report and recommendation will be brought to the Conference of 2015.

Preaching Fees and Expenses for Supernumeraries

1.11 In accordance with the decisions of the Conference, supernumerary presbyters should be offered a minimum preaching fee and travel expenses. The Committee advises that the fee will remain at £25 until August 31st 2016, as agreed by the Conference of 2013, and that the standard travel expenses, summarised above, apply. Circuits are reminded that it is their responsibility to pay these fees and expenses, even if and when churches assist with the preaching plan preparation: the church is only responsible for payment when the supernumerary presbyter preaches at the church by specific invitation, typically for a special occasion.

Marriage Registration Fees

1.12 The Committee reported to the Conference in 2011 that there are moves in Marriage Registration Districts to reduce the administrative costs of paying fees to ministers conducting marriages². Currently all ministers who do so receive a fee of £2 per marriage and thousands of cheques for very small amounts of money (all for £2 or multiples thereof) are prepared and posted. In the event that Registration Districts request the Churches to nominate a central point for collection of payments, the Committee continues to recommend that (1) all local marriage fees be increased by a modest amount to cover the £2 payment to the minister and (2) that the Fund for the Support of Presbyters and Deacons (FSPD) be the nominated recipient of the aggregated fee payments from the Registration Districts.

² It is understood that this arrangement does not apply in Scotland, but the substance of the proposal is not thereby invalidated.

Lay Employees Recommended Hourly Rates

- 1.13 The Committee advises that the latest Living Wage rates, published in November 2013 by the Living Wage Foundation (LWF), are £8.80 per hour for London and £7.65 for all other regions. As the latter rate now exceeds the £7.60 previously agreed, the LWF figures will always be adopted as the Methodist Church's recommendations. Methodist employing bodies are reminded of the resolutions of the 2010 Conference (Agenda pp 153-154) regarding the mandatory implementation of these rates.
- 1.14 Further updated figures, expected to be announced by LWF in November 2014, will be published on the Methodist Church website: guidance on implementation timing was given in the Committee's Report to Conference 2012 (Agenda p 130).

2. REPORT ON FUNDS AND TRUSTS WITHIN THE COMMITTEE'S REMIT

- 2.1 The Committee acts as the Trustees for four funds or trusts which are available to ministers, and may, in some cases, be used to give financial assistance to dependent close family members as well as themselves. They are:
- The Fund for the Support of Presbyters and Deacons (FSPD), previously known as the Auxiliary Fund
 - The Methodist Ministers Children's Relief Association (MMCRA)
 - The Methodist Ministers' Children's Fund (MMCF, otherwise known as the Trinity Hall Trust – THT)
 - The Methodist Medical Benevolent Fund (MMBF)

The Fund for the Support of Presbyters and Deacons

- 2.2 The objects of the FSPD, ie the purposes for which its resources may be used, were widened by the decision of the Conference in 2011 to amend SO 364(1). This has continued to prove a helpful move in enabling the Committee to offer financial support to those in need in a variety of circumstances. From September 2011, the provisions of the 'Student Hardship Fund', an amount of money previously set aside in the Discipleship and Ministries budget, have been assumed by the FSPD and is reflected in SO 364(1).
- 2.3 While the Church continues to be immensely grateful for the generosity of donations to the FSPD, for some years there has been less emphasis on advocacy as its resources were regarded as more than adequate for its purposes. However, in the light of recent increased demands and the widening of its objects, the Committee is resuming the advocacy of the fund within the Church.

Methodist Medical Benevolent Fund

- 2.4 **The Committee has decided [and recommends to the Council] that the Murton bungalow (the property owned by the MMBF in Mumbles, South Wales) should be sold** and that the proceeds of sale be deposited in the Fund for its general use, including recuperative breaks for ministers and their families, not thereby constrained to be in South Wales. It had become apparent that bookings were declining, rental income decreasing and the bungalow required considerable renovation and upgrading of facilities. The Committee was also advised by Mrs Anne Griffiths, who has faithfully and generously looked after the property for some thirty

years, that she wished to retire at the end of 2013. The Committee places on record its gratitude, on behalf of the whole Church and the many families who have enjoyed holidays at Murton, to Mrs Griffiths for her commitment and long service. [The Committee notes that agreement to the sale of Murton bungalow is a separate item on the Council's agenda: this paragraph will be updated as appropriate in its Report to the Conference.]

The Trinity Hall Trust

- 2.5 In recent years the Committee has reported to the Conference on the serious financial state of the Trinity Hall Trust that led to restrictions being introduced on grants available from September 2010. The actions taken since September 2011 have enabled expenditure from the Trust to be fully covered by income and the Committee is pleased to report that the Fund is now on an even keel again.
- 2.6 **The Committee has therefore agreed to increase the maximum grant per qualifying child per year from £200 to £250 as from 1 September 2014.**

Analysis of Grants from Funds and Trusts

- 2.7 The Committee promised, in response to a question at the Conference in 2010, to give summary information on the pattern of grant-making in its report to the Conference each year. We are pleased to do this, as below, for 2012-13.
- 2.8 Fund for the Support of Presbyters and Deacons

The FSPD is by far the largest of the four funds and receives substantial income from donations and legacies as well as investments. It is used in a wide variety of ways in pursuit of its objects and in 2012-13 made grants amounting to £611,341. In summary, these were distributed as follows:

Nature of grants	Total amount (£)
<i>Grants to active ministers and following death in service</i>	
Grants to ministers with impairment and for other emergency requests	157,809
Ministers' death in service grants	5,436
<i>Grants to retired ministers, widows and widowers</i>	
Annual grants to owner-occupiers (504 grants)	267,120
Nursing, residential and health related (22 grants)	32,371
Removal costs on retirement (63 grants)	77,219
Grant to MMHS to enable assistance mainly with maintenance costs	20,000
Various other requests and Christmas gifts	36,301
Property repairs, maintenance and contributions towards purchases	15,085
Total	611,341

- 2.9 It should be noted that the amounts related to ministers with impairment (which can involve major alterations to manses), emergency requests and property can vary significantly from year to year. The increase in the amount of grants to active ministers reflects the widened scope of the FSPD's remit, as in SO 364(1), and mentioned above.

Trinity Hall Trust

- 2.10 Income to the Trust comes almost wholly from investments, which partly accounts for its recent financial problems. In 2012-13, £13,727 was paid in 40 grants to ministers to help fund costs of educational activities for their children, an average of £343 per grant. The table below shows the pattern of grant amounts, noting that 92% were for £500 or less.

Grant amount in £s	Number of grants
Less than 250	15
251 to 500	22
501 to 750	5
751 to 1,000	0
Total	40

Methodist Ministers Children's Relief Association

- 2.11 The MMCRA made grants amounting to £8,050 to 18 ministers to give financial help mainly to support the care of adult dependent children. This fund manages to provide limited support from its income which relies wholly on the collections made at District Synods. During the year, a letter was sent to District Chairs reminding them of this tradition (and indeed, dependence) and inviting Synods to sustain such collections each year.

Methodist Medical Benevolent Fund

- 2.12 The MMBF made 32 grants of varying amounts totalling £14,137, an average of £442, and paid a further £8,312 to the Churches Ministerial Counselling Service to provide 58 ministers with counselling sessions, an average of £143 per minister. Again, this fund provides support from within its income, derived mainly from investment, and it is used wherever the need is related to physical and mental health conditions.

3. OTHER WORK UNDERTAKEN AND PLANNED BY THE COMMITTEE

- 3.1 The Committee continues to engage in reviews of several topics for which it has responsibility, and is grateful for the support of the Connexional Team staff, especially in the Finance, Development and Personnel, and Governance Support offices, in all that it does.
- 3.2 Many of the requests for financial assistance from the four funds fall well within the defined purposes of the funds and are processed by the Connexional Team. However, a number of special requests are either outside the clearly defined purposes of the funds, are for larger amounts or have unusual features which require special consideration. These are referred for decision to the Chair of the Committee, and, if deemed necessary, to the whole Committee: all such cases are reported for confirmation to the following Committee meeting. In the year 2012-13, there were 78 such cases – a higher number than in any previous year, partly resulting from extending the FSPD's purposes in 2011.
- 3.3 The Committee keeps a record, for its own guidance and purposes, setting out the policies and precedents for dealing with the wide variety of these special requests for financial assistance. This enables the Committee always to be consistent and fair in the application of criteria for assessing need. The Committee is also called upon from time to time to advise on the

interpretation of Standing Orders related to circuits' financial obligations and provisions for ministers in a rich variety of circumstances.

- 3.4 The Committee continues to work with the Methodist Ministers Housing Society (MMHS) to ensure that our respective policies on common matters are aligned as far as possible and we continue to be grateful to participate in discussions with MMHS on strategic and policy matters.
- 3.5 **The transfer of all ministers' stipend payments to a monthly cycle** was achieved, as planned, during the year. The Committee expresses its gratitude to the staff in Methodist Church House who managed the project successfully and to all ministers and circuits for their cooperation and forbearance during its implementation. As well as achieving a single, unified payroll, it has enabled statutory sick pay (SSP) to be claimed for all ministers, and the previous limitation that it only applied to quarterly paid ministers to be overcome, thereby fulfilling the requests in Memorials M18, M19 and M20 to the Conference of 2010.
- 3.6 Discussions have taken place during the year between the **Trustees for Methodist Church Purposes (TMCP) and the Connexional Allowances Committee**, to share information about the charitable funds and trusts at the disposal of each body. It is evident that there are occasions when requests for financial support received by one can more appropriately be met by the other.
- 3.7 The Committee has nominated three of its members to serve on a group established by the Ministries Committee **to review the Standing Orders and Guidelines on the provision of adequate accommodation (manses)**.
- 3.8 The Committee expresses its appreciation to Mr Philip Bedford-Smith who retired at the end of December 2013 after many years as Manager of the Payroll and Benefits section and who served as the officer supporting the Committee's work.
- 3.9 The Committee's major review of **allowances above stipend** is brought to the Conference as Part B of this report.

*****RESOLUTION:**

31/1. The Council receives the report and recommends it to the Conference.