

# Connexional Allowances Committee

MC/23/28

Date of meeting	25-27 March 2023
Contact name and details	Ruby Beech, Chair of the Connexional Allowances Committee <a href="mailto:beechr@methodistchurch.org.uk">beechr@methodistchurch.org.uk</a>
Action required	Decision
Resolutions	28/1. The Council receives the Report.  28/2. The Council adopts the Report and the recommendations in sections 1, 2 and 3.

## Summary of content

Subject of aims	The report covers the Committee's established portfolio of matters related to stipends, allowances and other financial provisions, grants made, and its other activities.
Main points	Section 1 covers stipends, allowances above stipend and other allowances, fees, rates and expenses for 2023/2024.  Section 2 reports on the funds and trusts managed by the Committee.  Section 3 summarises other work and activities in which the Committee has been and will be involved and seeks to appoint a new member of the Committee.

## Summary of impact

Financial	Paragraphs 1.3 and 1.4, on stipends and allowances above stipend, impact Circuits and other employing bodies, though the figures have been published in advance for budget purposes.  Paragraphs 1.17 and 1.18 on sabbaticals and computers in ministry impact Circuits and other employing bodies and again the figures have already been published.  Paragraph 1.26 on the living wage impacts any body within the Church which employs lay people.
-----------	---

# Connexional Allowances Committee

The Connexional Allowances Committee's report to the 2023 Conference covers the customary update on stipends and allowances, includes progress reports on other work and activities in which the Committee has engaged, and is presented with the approval of the Methodist Council.

The report is divided into three sections, as follows.

1. Recommendations for stipends and allowances 2023/2024.
2. Report on Funds and Trusts within the Committee's remit.
3. Other matters of report from the Committee.

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

## 1. RECOMMENDATIONS FOR STIPENDS AND ALLOWANCES 2023/2024

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

### Standard stipend

- 1.2 The resolutions of the 2012 Conference fixed the stipend increase formula for the period until 31 August 2015, this being renewed for periods of three further years by the Conferences of 2015, 2018 and 2021. The formula will next be reviewed during 2023/2024.
- 1.3 Using the index numbers published in October 2022, the Consumer Price Index (CPI) movement for the period September 2021 to September 2022 was +10.1% and the Average Weekly Earnings Index movement for the period September 2021 to September 2022 was +5.56%: the average of these is 7.83%. **In accordance with the decision on the stipend review formula by the 2021 Conference and recommended in paragraph 1.2, the annual standard stipend for the year beginning 1 September 2023 is therefore increased by 7.83% to £29,040 (rounding up to the next highest figure divisible by 12), to give a monthly stipend of exactly £2,420.**

### Additional allowances

- 1.4 **The following allowances are applied for ministers for 2023/2024, in the light of the decisions taken by the 2018 Conference. Whilst it is anticipated that the percentages will apply for the foreseeable future, these amounts are for 2023/2024, based on the standard stipend in paragraph 1.3.** The implementation timescale was set in 2018 as follows: where the new scale of allowances gave a postholder an increase it was applied from 1 September 2019; existing postholders whose allowances decreased retained the previous percentage until the term of their appointment ends; those newly appointed from 1 September 2019 onwards receive the new allowances percentage.

Role, post or office held	%	£
The President of the Conference	30	8712
The Secretary of the Conference	30	8712
Connexional Secretary (see paragraph 1.5)	25	7260
Separated District Chair	25	7260
Warden of the Methodist Diaconal Order	25	7260
Superintendent	10	2904
Synod Secretary (see paragraph 1.6)	5	1452
Principal of Training Institution	25	7260
All other ministers in appointments as defined in paragraph 1.7	0, 10 or 20	0, 2904 or 5808

- 1.5 This category includes the Assistant Secretary of the Conference and, when the posts are held by ministers, the Connexional Secretary and the Conference Officer for Legal and Constitutional Practice.

- 1.6 The 2016 Conference agreed that the Synod Secretary's allowance be gradually withdrawn. It is retained by existing incumbents until their appointment ceases but does not apply to new appointments.
- 1.7 This category includes ministers serving in the Connexional Team or stationed to appointments within the control of the Methodist Council, staff members of Training Institutions, and the Deputy Warden of the MDO. As per the decision of the 2018 Conference, these allowances will be allocated by the Remunerations Committee, having regard to the lay salary structure for such (or comparable) posts.
- 1.8 In addition to the above allowances related to roles, the Committee affirms that the allowances and other financial provisions agreed by the 2016 Conference based on location continue to apply. These include an additional allowance of 16% of stipend for all ministers stationed in the Shetland Islands, the Scilly Isles, the Isle of Man and the Channel Islands.
- 1.9 The Committee advises that the Malta and Rome appointments continue to receive an uplift to reflect the devaluation of the pound sterling against the euro that occurred following the Brexit referendum. These situations will continue to be kept under review.
- 1.10 The Committee reminds circuits that, in line with Standing Order 801(1)(a), no discretionary local allowance can be paid without the prior authorisation of the Committee.

### **Relocation allowance**

- 1.11 The Committee recommends that the maximum allowance payable by the receiving Circuit (or other responsible body) to ministers upon moving manse remains at £600. In the case of two ministers sharing the same manse, it is one payment of £800. It is clarified that this payment is in addition to the full cost of travel and removals, as defined in SO 528. Receipts must be provided – otherwise this is a taxable benefit.
- 1.12 The Committee affirms the decision of the 2015 Conference, through Notice of Motion 103, to the effect that this relocation allowance shall also apply to ministers (in appointments in the control of the Church) upon becoming supernumeraries. The costs shall be met from the Fund for the Support of Presbyters and Deacons (FSPD), as are their removal costs. It is affirmed that this provision may be invoked once only, in situations (increasingly) where supernumerary ministers move and continue in active work before final retirement.
- 1.13 The Committee affirms that this provision applies to the widows or widowers of ministers who die in service upon their removal to their new home, in addition to the payment of their removal costs.

### **Travel allowances**

- 1.14 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 the Conference for approval before implementation, so as to avoid unexpected cost increases mid-year.
- 1.15 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 and use online meetings where appropriate.
- 1.16 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
Motorcycle		24p per mile
Bicycle		20p per mile
Additional passenger rate		5p per mile

- 1.17 **The Committee recommends that the travel grant (taxable) which can be claimed by ministers during a time of sickness increases to £350 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**

- 1.18 The Committee affirms that the sabbaticals annual levy is maintained at £100 and the maximum expense level retained at £1000, following the decisions of the Conference of 2022. These levels will next be reviewed in 2023/2024.

#### **Computers in Ministry scheme**

- 1.19 Following the adoption by the 2017 Conference of a revised Computers in Ministry scheme offering financial support to ministers, **the Committee recommends that the allowance be increased to £194 for the year 2023/2024, ie by the same CPI % used in the stipend adjustment.**
- 1.20 Student ministers beginning training, or, if they choose to wait, probationer ministers at the start of their first appointment receive an additional allowance of four times the annual amount. The first annual payment (as per paragraph 1.19) is made in the month of October at the start of ministry.

#### **Initial grants and loans to ministers**

- 1.21 In accordance with SO 804(2) in respect of loans and grants to ministers appointed “for the first time to a station in the home work” the Committee continues to offer loans up to a maximum value of £10,000, interest-free, repayable over a maximum of 5 years (ie £167 per month).
- 1.22 The 2015 Conference agreed to the Committee’s recommendation that, as from September 2016, a maximum flat-rate means-tested initial grant be set at the level of £3,000, and this now applies irrespective of the age of the minister. This is instead of, and not additional to, the relocation allowance which applies to subsequent moves (as per paragraph 1.10). Therefore, receiving Circuits do not pay the relocation allowance to ministers in their initial appointment (though they do pay the travel and removal costs as per SO 528(2)).
- 1.23 During their active ministry, loans may be made to ministers but only in the most extreme and exceptional personal and financial circumstances.

#### **Preaching fees and expenses for supernumerary ministers**

- 1.24 Circuits are reminded that it is their responsibility to pay preaching fees and expenses, even if and when churches assist with the preaching plan preparation: the church is only responsible for payment when the supernumerary minister preaches at the church by specific invitation, typically for a special occasion.
- 1.25 Having reviewed the fee **the Committee recommends that it be increased to £30 from September 2023.** It will next be reviewed in 2028.

#### **Lay employees recommended hourly rates**

- 1.26 The Committee advises that the latest Living Wage rates, published in September 2022 by the Living Wage Foundation (LWF), are **£11.95 per hour for London and £10.90 for all other regions.** The LWF figures, applicable to employees aged 18 years and over, will always be adopted as the Methodist Church’s recommendations. Methodist employing bodies are reminded of the resolutions of the 2010 Conference regarding the mandatory implementation of these rates.
- 1.27 The Committee reminds the whole Church of the resolution of the 2015 Conference that the implementation of the Living Wage is now mandatory in all but the most extreme and exceptional circumstances, and that all outstanding exceptions must continue to be reviewed by the appropriate District Policy Committee.
- 1.28 Methodist employing bodies are reminded that the LWF rates published in the autumn are to be implemented by the following April. However, in light of the cost of living crisis all treasurers and ministers were contacted as the Methodist Council urged all Methodist employing bodies to implement the most recent LWF rates no later than 1 December 2022. Further updated figures, expected to be announced by LWF in the autumn of 2023, will be published on the Methodist Church website, and can also be accessed on the LWF website which gives further relevant details.

## Loss of Earnings

1.29 The Committee reviewed the maximum loss of earnings rate that is applied under Standing Order 202 for members of the Conference, Methodist Council and other relevant connexional committees as agreed by the Council. Using the London Living Wage of £11.95 per hour, a seven hour day equates to £83.65. **Therefore, it is proposed that that the maximum amount of loss of earnings is increased from £80 to £85 per day from 1 September 2023.**

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

2.1 The Committee acts as the Trustees for six funds or trusts which are available to ministers and which may, in some cases, be used to give financial assistance to dependent close family members as well as themselves. The funds and trusts are:

- The Fund for the Support of Presbyters and Deacons (FSPD), previously known as the Auxiliary Fund (of the Ministers' Retirement Fund)
- The Methodist Ministers' Children's Fund (MMCF, otherwise known as the Trinity Hall Trust – THT)
- The Methodist Medical Benevolent Fund (MMBF)
- The Methodist Ministers' Children's Relief Association (MMCRA)
- The Aspinall Robinson Trust (ART)
- The Auxiliary (Special Purposes) Fund (ASPF)

### Analysis of grants from funds and trusts

2.2 The Committee gives summary information on the pattern of grant-making in its report to the Conference each year. Any differences between the grant expenditure totals given in this report and the audited accounts of the funds arise from the exceptional cases when grants are refunded or reallocated to different funds.

### Fund for the Support of Presbyters and Deacons

2.3 The Church continues to be immensely grateful for the generosity of donations to the FSPD. Whilst the funds remain at a healthy level, donations remain vital in allowing the CAC to respond positively to the increasing demands being placed on the funds.

2.4 The FSPD is by far the largest of the 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 2021/2022 made grants amounting to £1,129,615. In summary, these were distributed as follows:

Nature of grants	Total amount (£)
Grants to enable ministers to continue in ministry and manse adaptations	96,674
Grants to ministers for acute financial emergencies	99,384
Grants for retired ministers' health needs, nursing and residential care	140,080
Removal costs and relocation grants on retirement	193,734
Christmas gifts to widows and widowers and other miscellaneous grants	34,050
Gardening grants	22,750
Grants to MMHS <sup>1</sup> for property acquisitions and special adaptations	17,523
Recuperative Years	278,476
Grants to ministers on first stationing and students	103,950
Reimbursement to circuits for ministerial sickness	142,994
<b>Total</b>	<b>1,129,615</b>

### Methodist Ministers' Children's Fund (Trinity Hall Trust)

2.5 In 2021/2022, £26,223 was paid in grants to ministers to help fund costs of educational activities for their children, including the provision of equipment for online educational activities.

<sup>1</sup> This amount includes expenditure on properties owned by the FSPD and occupied by retired ministers and their dependants which the Methodist Ministers' Housing Society manages on the Committee's behalf. It was paid in 2022/23 but related to 2021/22.

### **Methodist Medical Benevolent Fund (MMBF)**

2.6 In 2021/2022, the MMBF made grants of varying amounts totalling £73,711. 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. The Committee continues to highlight to the Conference the sustained level of expenditure on counselling and related support for ministers, including while they are students and probationers.

### **Methodist Ministers' Children's Relief Association (MMCRA)**

2.8 In 2021/2022 the MMCRA made grants amounting to £13,100 to 16 ministers and dependants to give financial help mainly to support the care of adult dependent children. This fund provided limited support from its income which relies on the collections made at District Synods. The Committee is grateful to the 10 District and Circuits who contributed £1,469 in 2021/2022. The fund has now spent all its reserves. As the MMBF and the FSPD have purposes that are sufficient to cover the grants formerly paid from the MMCRA it has been decided to close the MMCRA.

### **Aspinall Robinson Trust**

2.9 In 2021/2022 six grants were made to deacons amounting to £7,969. These covered health related needs, initial grants, gardening and retirement grants.

### **Auxiliary (Special Purposes) Fund**

2.10 In 2021/2022 there were eight grants made from this fund. This fund typically provides for up to 50% of annual stipend to be paid to the spouse when a minister's marriage breaks down or for specific expenditure to be reimbursed if the part-stipend is not requested. The Fund is well endowed to cater for all probable needs.

## **3. OTHER MATTERS OF REPORT FROM 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, Human Resources, Mission, Ministries and Conference offices, in all that they do.
- 3.2 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. Having undertaken a full review of the policies and precedents during 2019/2020, the Committee made minimal changes in 2021/2022.
- 3.3 During the year the Committee engaged with the Chair of the Strategy and Resources Committee concerning how the work of the CAC will be taken forward in light of the proposals on Oversight and Trusteeship. Committee members were able to share the areas where it was felt the CAC added particular value to the life of the church through the careful stewardship of resources.
- 3.4 The Committee held an additional meeting in October 2022 to discuss the implications of the cost-of-living crisis on ministers. As a consequence, all ministers in the active work in stations under the control of the Conference were paid a taxable grant of £1,000 costing £1.435m in total. In addition, all pensioners in the Methodist Ministers' Pension Scheme were paid £250 costing £0.519m in total. The Committee continues to keep ministerial stipend levels under review noting the lag between the impact of inflation on ministers and the timing of the annual stipend uplift.
- 3.5 Given the emergence of different Deputy/Assistant District Chair posts, the Committee reviewed the need for a consistent approach to allowances for such roles. However, given that no two situations are the same, the CAC agreed that requests for allowances will be considered on a case by case basis. Districts will be asked to present a proposal to the CAC about what they wish to do and what allowance they propose to pay.
- 3.6 The Committee considered the position of the funding for the non-separated Chairs of District. A recommendation was made that subject to budget approval, the stipend should be funded 50% by the district and 50% from the Methodist Church Fund (MCF), with the island allowance and 10% Chair's allowance also funded from the MCF. The Committee therefore offers this paragraph to the

Conference as its further reply to Memorials 10 and 11 of 2019 (See Appendix 1 for the text of the Memorials.).

- 3.7 Having started funding medical reviews for ministers in senior appointments (eg District Chairs, Warden of the Diaconal Order), the Committee received a report on the initial implementation. This review was broadly positive but a number of issues need addressing as the approach is rolled out more widely. The Committee will continue to work with the Wellbeing Team and other relevant bodies (eg the Connexional Leaders' Forum) as this approach develops.
- 3.8 The Committee also undertook a review of the interim funding decisions that had been taken in 2020. The following outcomes were agreed:
- The funding from the FSPD for an additional post focusing on ministerial wellbeing will continue for a further three years from September 2023.
  - The funding from the FSPD of recuperative years for ministers would continue for a further three years from September 2023.
  - The funding from the FSPD of ministers' stipends who have been off sick for more than six months will continue.
  - The funding from the FSPD of the ministers' retirement course will continue.
- 3.9 The Chair of the Committee wishes to record their immense gratitude to its members, past and present, who have given unfailing support and attention to the Committee's work at all times. They bring a rich variety of experience and expertise as well as representing different constituencies within the Church.

### \*\*\*RESOLUTIONS

**28/1. The Council receives the Report.**

**28/2. The Council adopts the Report and the recommendations in sections 1, 2 and 3.**

### APPENDIX 1

#### **M10 Funding a non-separated Chair**

The Isle of Man District Synod, Representative Session (Present: 47; Voting: 46 for, 0 against) draws the Conference's attention to the matter of the cost of funding a non-separated Chair.

The situation with regard to non-separated Chairs has remained the same for some decades now. But it has become clear that the demands, especially those regionally and connexionally, have markedly increased their workload. We celebrate our partnership with the Districts in our region, and with the Learning Network. We recognise, however, that these, and other connexional commitments, take the Chair out of the District far more often than was the case a decade ago.

At present the second superintendents allowance paid to non-separated Chairs is paid from connexional funds, but the entirety of the rest of the stipend is paid by the District/Circuit in which the minister is stationed. Expenses are paid in the same way as any other District.

The Synod asks the Conference to consider contributing to the stipend from connexional funds on a 50/50, half connexional and half district/circuit basis. We believe that this would further re-enforce the Chair's role as a connexional person and release other district/circuit resources to make up the shortfall in ministerial provision.

#### **Reply**

The Conference thanks the Isle of Man District Synod for the memorial.

The Synod is correct that the position regarding the funding of the stipend of a non-separated Chair has remained the same for some time. The Connexional Allowances Committee last year considered the MC/23/28 Connexional Allowances Committee

situation as a part of its extensive review of allowances above the basic stipend and recommended that there be no change. Given, as the Synod notes, the non-separated Chair's allowance has been set at the same rate as a Superintendent's allowance (under SO 428(2)), it therefore rises to 10% in 2019.

The Synod argues that the allowance was set in a time when the expectations of a Chair was less than it now is. Non-separated Chairs participate in meetings of Chairs and the Connexional Leaders' Forum, share in all stationing matching, and contribute with their peers to the life of the Connexion in various ways. There are some responsibilities (eg, to serve on the Ministerial Candidates' Selection Committee or to represent returning Mission Partners in stationing) that have by custom fallen to the Island Chairs. The Conference is minded to agree that 10% of basic stipend seems a disproportionately small contribution in recognition of this.

The Conference therefore accepts the principle of the Memorial and mandates the Secretary of the Conference to instigate a review of the funding of the stipend arrangements for non-separated Chairs.

#### **M11 Funding a non-separated Chair**

The Channel Islands Synod, Representative Session (Present: 37; Voting: unanimous) draws the Conference's attention to the matter of the cost of funding a non-separated Chair when they live on one Island (and therefore in one Circuit) but serve both the District and the Connexion and asks the Conference to take the following action:

The situation with regard to non-separated Chairs has remained the same for some decades now. But it has become clear the demands, especially those connexionally and regionally, have markedly increased their workload. We celebrate our increasing partnership with neighbouring Districts, including in matters of safeguarding, complaints and discipline, candidates and probationers and regionally with the Learning Network. We recognise that these, and other connexional commitments, take them out of the District far more often than a decade ago. At present, the second superintendents allowance paid to non-separated Chairs is paid by central funds, but the entirety of the rest of the stipend is paid by the Circuit the minister is resident in. Expenses are paid in the same way as any other District.

The Synod therefore asks the Conference to consider contributing to the stipend from central funds. This could be funded 50/50, half connexional funds and half from the Circuit. We believe that this would further re-enforce the Chair being a connexional person whilst also recognising locally that this is a shared appointment.

#### **Reply**

*The Conference adopts the same reply as to M10.*