

Connexional Allowances Committee

MC/22/45

Date of meeting	2-4 April 2022
Contact name and details	Ruby Beech - Chair of Connexional Allowances Committee beechr@methodistchurch.org.uk
Action required	To approve
Resolutions	45/1. The Council receives the report. 45/2. The Council recommends the report to the Conference.

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 2022/2023. 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 bodies responsible for the provision of stipends, 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.
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The Connexional Allowances Committee's report to the 2022 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 2022/2023.
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 2022/2023

- 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. **Nevertheless, the Committee has reviewed the formula given the current economic conditions and believe it remains a tried and tested method for establishing a fair balance between the employing bodies and those in receipt of a stipend. Consequently, it is recommended that the formula be retained as planned until at least 2024.**

- 1.3 Using the index numbers published in October 2021, the Consumer Price Index (CPI) movement for the period September 2020 to September 2021 was +2.9% and the Average Weekly Earnings Index movement for the period August 2020 to August 2021 was +5.58%: the average of these is 4.24%. **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 2022 is therefore increased by 4.24% to £26,928 (rounding up to the next highest figure divisible by 12), to give a monthly stipend of exactly £2,244.**

Additional allowances

- 1.4 **The following allowances are applied for ministers for 2022/2023, 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 2022/2023, 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	8,078
The Secretary of the Conference	30	6,732
Connexional Secretary (see paragraph 1.5)	25	6,732
Separated District Chair	25	6,732
Warden of the Methodist Diaconal Order	25	6,732
Superintendent	10	2,693
Synod Secretary (see paragraph 1.6)	5	1,346
Principal of Training Institution	25	6,732
All other ministers in appointments as defined in paragraph 1.7	0, 10 or 20	0, 2,693 or 5,386

- 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.

Relocation allowance

- 1.10 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.
- 1.11 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.
- 1.12 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

- 1.13 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.
- 1.14 The Committee continues to remind the Methodist Church of our commitment to becoming a net zero carbon emissions Church by 2030, and wishes to encourage people to use public transport and share cars wherever possible and use online meetings where appropriate.
- 1.15 The following travel expense rates will apply to ministers, supernumeraries, lay employees in churches, Circuits and Districts and lay volunteers:
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|---------------------------|--------------------|--------------|
| 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 |
- 1.16 The Committee recommends that the travel grant (taxable) which can be claimed by ministers during a time of sickness remains 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

- 1.17 The Committee has reviewed the level of sabbatical expense and levy and affirms that the sabbaticals annual levy is maintained at £100 and the maximum expense level retained at £1000. These levels will next be reviewed in 2023/24.

Computers in Ministry scheme

- 1.18 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 £176 for the year 2022/2023, ie by the same CPI % used in the stipend adjustment.**
- 1.19 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 1.18) is made in the month of October at the start of ministry.

Initial grants and loans to ministers

- 1.20 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).
- 1.21 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)).
- 1.22 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

- 1.23 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.
- 1.24 The 2021 Conference agreed to keep the preaching fee at £25 and review in 2023.

Lay employees recommended hourly rates

- 1.25 The Committee advises that the latest Living Wage rates, published in November 2021 by the Living Wage Foundation (LWF), are **£11.05 per hour for London and £9.90 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. These rates are to be paid from no later than April 2022.
- 1.26 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.
- 1.27 Further updated figures, expected to be announced by LWF in November 2022, will be published on the Methodist Church website, and can also be accessed on the LWF website which gives further relevant details. Methodist employing bodies are reminded that the LWF rates published in November are to be implemented by the following April.

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

- 2.1 The Committee acts as the Trustees for seven 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. The seven 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 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 Benevolent Fund – Deaconesses (BFD)
- 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 objects of the FSPD, ie the purposes for which its resources may be used, were widened by the decision of the 2011 Conference 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 (see 2.6).

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

2.5 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 2020/2021 made grants amounting to £887,266. In summary, these were distributed as follows:

Nature of grants	Total amount (£)
Grants to enable ministers to continue in ministry and manse adaptations	74,920
Grants to ministers for acute financial emergencies	84,151
Grants for retired ministers' health needs, nursing and residential care	76,991
Removal costs and relocation grants on retirement	140,564
Christmas gifts to widows and widowers and other miscellaneous grants	35,650
Gardening grants	18,750
Grants to MMHS ¹ for property acquisitions and special adaptations	22,510
Recuperative Years	210,298
Grants to ministers on first stationing	57,000
Reimbursement to circuits for ministerial sickness	188,942
Total	834,856

2.6 The funding of 'recuperative years' from the FSPD was agreed in 2020/2021. These allow ministers to be stationed for a period without appointment (generally a full connexional year) to allow for recovery from serious illness with the hope of a return to active ministry thereafter. The costs vary in each case, but include a stipend, housing costs and other support for recuperation. In 2020/2021 eight ministers were supported in this way.

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

2.7 In 2020/2021, £22,993 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.

Methodist Ministers' Children's Relief Association

2.8 In 2020/2021 the MMCRA made grants amounting to £10,361 to 11 ministers and dependants to give financial help mainly to support the care of adult dependent children. The fall in grants was due to

¹ 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 2021/22 but related to 2020/21.

some grants relating to the current year being processed and accounted for at the end of 2019/20. This fund provides limited support from its income which relies on the collections made at District Synods. The Committee is grateful to the 3 District Synods who contributed £1,270 in 2020/2021.

Methodist Medical Benevolent Fund

- 2.9 In 2020-21, the MMBF made grants of varying amounts totalling £85,537. 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.
- 2.10 Included within the MMBF figures are six grants that were made to ministers under the 'Access to Work' scheme. This is a government scheme that supports 'employees' who have a physical or mental health condition or disability to remain in work. 'Employers' are required to fund reasonable adjustments and the Committee typically assists where there are equipment requirements.

Benevolent Fund – Deacons

- 2.11 In 2020/2021 11 grants were made amounting to £51,904. This depleted all the reserves in the fund in line with the policy of the CAC to target grants for deacons from this fund. Going forward all grants in relation to deacons will be funded from the Aspinall Robinson Trust which has similar purposes and is well funded.

Aspinall Robinson Trust

- 2.12 In 2020/2021 10 grants were made to deacons amounting to £18,386. These covered health related needs, initial grants and retirement grants.

Auxiliary (Special Purposes) Fund

- 2.13 In 2020/2021 there were no 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.
- 3.3 Having undertaken a full review of the policies and precedents during 2019/2020, the Committee made minimal changes in 2020/2021. However, the Committee did note the significant balance in the Auxiliary Special Purposes Fund was likely to exceed the calls on this fund and is considering how these funds may be used going forward.
- 3.4 The Committee gratefully acknowledges a grant of £36k from a trust managed by TMCP to cover the Christmas gifts to ministers' widows and widowers.
- 3.5 The Chair of the CAC met with the Wellbeing Team and the Secretary of the Conference to review how the provision of Medical Reviews for District Chairs and Senior Staff was progressing. It was agreed that further feedback would be sought in 2022 where proposals to extend the initiative may be considered. The CAC reiterated its position that the FSPD can be used for wellbeing initiatives and would welcome further work in this area.
- 3.6 The Committee agreed to a request that the additional journey between the Islands and the mainland that was to be funded from FSPD could be rolled over and taken in 2021/22 due to the on-going impact of the pandemic on travel arrangements.

- 3.7 Following the decision of the Methodist Ministers Housing Society (MMHS) to agree a 10 year rent increase plan, the CAC clarified that it would continue to consider applications from supernumerary ministers that found themselves in need of financial assistance. However, the policy remains that the funds of the FSPD are not there to subsidise day to day living costs but instead are there to support one off costs. In response to resolution 57/2 from the 2021 Conference, the Chair of the CAC is meeting with the Secretary of the Conference, the Director of Finance & Resources and the Chief Executive of the MMHS to consider how the covenantal relationship between the Church and its retired ministers (and spouses) is expressed in relation to housing needs in retirement.
- 3.8 The Chair of the Committee wishes to record her immense gratitude to its members, past and present, who have given their 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**

45/1. The Council receives the report.

45/2. The Council recommends the report to the Conference.