

## Connexional Allowances Committee

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<b>Status</b>	Report to the Conference for approval by the Methodist Council
<b>Resolutions</b>	27/1. The Council receives the Report.  27/2. The Council adopts the report and recommendations for presentation to the Conference.

### Summary of Content

<b>Subject and aims</b>	The report covers the Committee's established portfolio of matters related to stipends, allowances and other financial provisions, grants made and its other activities.
<b>Main points</b>	Section 1 covers stipends, allowances above stipend and other allowances, fees, rates and expenses for 2020/21.  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.

### Summary of Impact

<b>Financial</b>	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.
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## Connexional Allowances Committee

The Connexional Allowances Committee's report to the 2020 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 3 sections, as follows.

1. Recommendations for stipends and allowances 2020-21.
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 2020-21

- 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 and were renewed for periods of three further years by the Conferences of 2015 and 2018. The formula will therefore be used until 31 August 2021 and reviewed in the year 2020/21.
- 1.3 Using the index numbers published in October 2019, the Consumer Price Index (CPI) movement for the period September 2018 to September 2019 was +1.7% and the Average Weekly Earnings Index movement for the period August 2018 to August 2019 was +3.6%: the average of these is 2.7%. **In accordance with the decision on the stipend review formula by the 2018 Conference (as in paragraph 1.2), the annual standard stipend for the year beginning 1 September 2020 is therefore increased by 2.7% to £25,524 (rounding up to the next highest figure divisible by 12), to give a monthly stipend of exactly £2,127.**

#### Additional Allowances

- 1.4 **The following allowances are applied for ministers for 2020/2021, 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 2020/2021, 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	7657
The Secretary of the Conference	30	7657
Connexional Secretary (see paragraph 1.5)	25	6381
Separated District Chair	25	6381
Warden of the Methodist Diaconal Order	25	6381
Superintendent	10	2552
Synod Secretary (see paragraph 1.6)	5	1276
Principal of Training Institution	25	6381

All other ministers in appointments as defined in paragraph 1.7	0, 10 or 20	0, 2552 or 5105
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- 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 provision made in its report to the 2016 Conference (page 50, paragraph 20) in respect of the Malta appointment (which was invoked during the year 2016/2017, following the Brexit referendum) and consequent fall in the value of the £ sterling against the Euro, remains in place. The same arrangement was applied to the Rome appointment, for the same reason, as from 1 September 2017. 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 made 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 reducing our carbon footprint, and wishes to encourage people to use public transport and share cars wherever possible.

1.15 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

1.16 The Committee recommends that the travel allowance (taxable) for 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 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 2018. It is envisaged that both levy and expense levels will be sustained until 2021-22. The Connexional Allowances Committee will continue to monitor the financial position of the sabbaticals fund.

#### **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 £169 for the year 2020/2021, 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 recommends that the maximum loan available amount continues to be set at £6,000, interest-free, repayable over a maximum of 5 years (ie £100 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 the Committee clarifies that this now applies irrespective of the age of the minister as the circumstances in which the age limit was originally set have changed significantly. It is further clarified that 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. It is recommended that the same policy is used, ie a maximum of £6,000 repayable interest-free over a maximum of 5 years, unless there are specific reasons to offer a greater amount for a short period of time.

- 1.23 **Whilst all loans and grants under this heading have historically been made from the Methodist Church Fund, the Committee has reviewed this and agreed that they will be made from the FSPD from 2020/2021 in the same way that similar grants or loans are made at any other times during active ministry.**

#### **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 The 2019 Conference approved the recommendation of the Committee (1) that the principle of the supernumerary ministers' preaching fee be retained for the foreseeable future, (2) that the amount remain at £25 for two years until 31 August 2021, ie the end of the year 2020/2021 and (3) that the preaching fee amount be reviewed thereafter. **This section reflects the decisions also made by the 2019 Conference related to the report on "The Theology and Ecclesiology Underpinning the Diaconate and the Methodist Diaconal Order" by moving to referring to supernumerary "ministers" rather than "presbyters".**

#### **Lay Employees Recommended Hourly Rates**

- 1.26 The Committee advises that the latest Living Wage rates, published in November 2019 by the Living Wage Foundation (LWF), are **£10.75 per hour for London and £9.30 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 Further updated figures, expected to be announced by LWF in November 2020, will be published on the Methodist Church website, and can also be accessed on the LWF website which gives further relevant details: guidance on implementation timing was given in the Committee's Report to the 2012 Conference.

## **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)

### **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 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.
- 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 demands and the widening of its objects, the Committee continues the active advocacy of the fund within the Church and is always grateful to receive donations.

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

- 2.4 The maximum annual grant is £300 per child per year. In view of the positive annual balance of income over expenditure in the Fund, the Committee increased the maximum qualifying household income level from 1.5 to 2 times standard stipend as from September 2018. This particularly benefits households in which both parents are ministers.

### **Analysis of Grants from Funds and Trusts**

- 2.5 The Committee gives 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 2018/2019. 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, when they are no longer needed, or payments initially allocated from different funds or accounts or retrospective transfers are made between funds when grants are incorrectly allocated.

### **Fund for the Support of Presbyters and Deacons**

- 2.6 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 2018/2019 made grants amounting to £545,746. In summary, these were distributed as follows, giving the number of grants in each category in brackets:

Nature of grants	Total amount (£)
Grants to enable ministers to continue in ministry and manse adaptations (39)	134,131
Grants to ministers for acute financial emergencies (23)	71,217
Grants for retired ministers health needs, nursing and residential care (14)	45,497
Removal costs and relocation grants on retirement	147,414
Christmas gifts to widows and widowers (700+) and other miscellaneous grants	55,404
Grants for own property expenses and general financial support (10)	57,049
Grants to MMHS <sup>1</sup> for property acquisitions and special adaptations	35,034
Total	545,746

### **Trinity Hall Trust**

- 2.7 In 2018/2019, £21,154 was paid in grants to ministers to help fund costs of educational activities for their children. The table below shows the pattern of grant amounts to ministers in 2018/2019, noting that most were for £600 or less.

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<sup>1</sup> This amount includes expenditure on properties owned by the FSPD and occupied by retired ministers and their dependants which MMHS manages on the Committee's behalf.

Grant amount in £s	No. of ministers
300 or less	7
301-600	13
601-900	6
901+	3
Total	29

#### **Methodist Ministers' Children's Relief Association**

2.8 In 2018/2019 the MMCRA made grants amounting to £8,900 to 16 ministers and dependants to give financial help mainly to support the care of adult dependent children. This fund provides limited support from its income which relies on the collections made at District Synods. The Committee is grateful to the 23 District Synods who contributed £7,626 in 2018/2019.

#### **Methodist Medical Benevolent Fund**

2.9 In 2018-19, the MMBF made 23 grants of varying amounts totalling £17,843 to 22 ministers and paid a further £25,790 to providers of various forms of counselling services. 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 wishes the Conference to note again the sustained level of expenditure on counselling and related support for ministers, including while they are students and probationers.

#### **Benevolent Fund – Deaconesses**

2.10 In 2018/2019 no grants were made from this fund.

#### **Aspinall Robinson Trust**

2.11 In 2018/2019, 7 grants were made, for various purposes, amounting to £17,061 in total. The Committee asks the Conference to note that the Benevolent Fund – Deaconesses and the Aspinall Robinson Trust are always used when the beneficiary is a deacon or the dependant of a deacon, as their objects and purposes mirror those of the FSPD.

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

2.12 In 2018/2019, two grants were made amounting to £20,584 in total. This fund 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 & Development, Mission, Ministries and Conference offices, in all that they do.

3.2 As a result of discussions held during the year 2016/2017 with HMRC and the Church's advisors on taxation the Committee and Finance officers are ensuring that policies and procedures related to allowances and grants are properly aligned with current HMRC regulations and guidelines. It is imperative that the Church is fully compliant in these matters and that their implementation is consistently achieved throughout the Connexion. The changes and clarifications required were communicated through the Quarterly Letter to ministers and circuit stewards and the standard grant application forms were amended as necessary. It is noted that this does not affect decisions to offer allowances or grants but applies only to their treatment for tax purposes.

- 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 Part of the forward plan for the Committee is to consider how awareness of the grants available can be raised. This work will also include a review of the reserves position of the various funds and projections about future calls on the funds. The Committee recognises that the generosity of donors over the years has been crucial in supporting grant giving and that to be effective stewards of these resources means keeping the fund balances under review.
- 3.5 The Committee gratefully acknowledges a grant of £35,000 from a trust managed by TMCP to cover the Christmas gifts to ministers' widows and widowers.
- 3.6 The Committee notes the resolutions of the Methodist Council following a review of the arrangements for ministers stationed to the non-UK jurisdictions who have children at university. The resolutions direct the Committee to consider grant applications from the FSPD (or other funds as appropriate) from ministers who are significantly financially disadvantaged as a consequence of being stationed in non-UK jurisdictions. The Committee is given discretionary authority to agree the grants figure for university funding for the children of ministers, taking into account the minister's circumstances and the university funding arrangements at the time.
- 3.7 The Committee considered the situation regarding grants given to ministers from outside of the UK who are unable to claim child benefits due to their immigration status. Due to the complexity of the benefits system, the Committee agreed to a fixed sum to be made available related to the number of children in the family. This gives more certainty to ministers coming from overseas on the funding available.
- 3.8 The Committee expresses its gratitude to various members of the Connexional Team who have served on it and moved to pastures new in the last year or so and we have duly welcomed their successors.
- 3.9 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**

**27/1. The Council receives the report.**

**27/2. The Council adopts the report and the recommendations for presentation to the Conference.**