

## 7. Connexional Allowances Committee

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<b>Resolutions</b>	7/1. The Conference receives the Report.  7/2. The Conference adopts the Report and the recommendations in sections 1, 2 and 3.

### 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 2021/2022.  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

<b>Financial</b>	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 bodies responsible for the provision of stipends 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 2021 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 2020/2021.
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 2021/2022**

- 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 Committee has reviewed the formula and believe it remains a tried and tested method for establishing a fair balance between the Circuits and other bodies responsible for payment of stipends and those in receipt of a stipend. Consequently, it is recommended that the formula be retained for a further three years from 1 September 2021.**
- 1.3 Using the index numbers published in October 2020, the Consumer Price Index (CPI) movement for the period September 2019 to September 2020 was +0.7% and the Average Weekly Earnings Index movement for the period August 2019 to August 2020 was +1.62%: the average of these is 1.16%. **In accordance with the decision on the stipend review formula by the 2018 Conference and recommended in paragraph 1.2, the annual standard stipend for the year beginning 1 September 2021 is therefore increased by 1.16% to £25,824 (rounding up to the next highest figure divisible by 12), to give a monthly stipend of exactly £2,152.**

#### **Additional allowances**

- 1.4 **The following allowances are applied for ministers for 2021/2022, in the light of the decisions taken by the 2018 Conference. Whilst it is anticipated**

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**that the percentages will apply for the foreseeable future, these amounts are for 2021/2022, 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.

<b>Role, post or office held</b>	<b>%</b>	<b>£</b>
The President of the Conference	30	7,747
The Secretary of the Conference	30	7,747
Connexional Secretary (see paragraph 1.5)	25	6,456
Separated District Chair	25	6,456
Warden of the Methodist Diaconal Order	25	6,456
Superintendent	10	2,582
Synod Secretary (see paragraph 1.6)	5	1,291
Principal of Training Institution	25	6,456
All other ministers in appointments as defined in paragraph 1.7	0, 10 or 20	0, 2,582 or 5,165

- 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 Methodist Diaconal Order. 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 reducing our carbon footprint, and wishes to encourage people to use public

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transport and share cars wherever possible and to 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:

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 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 £171 for the year 2021/2022, 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 increases from £6,000 to £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 Having reviewed the level of the preaching fee, the Committee recommends that it remain at £25 and be reviewed again in two years' time.

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

- 1.25 The Committee advises that the latest Living Wage rates, published in November 2020 by the Living Wage Foundation (LWF), are **£10.85 per hour for London and £9.50 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.
- 1.26 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 2021, will be published on the Methodist Church website, and can also be accessed on the

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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 which 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. We are pleased to do this, as below, for 2019/2020. 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. The Committee has been reviewing its reserves and considering what grants might properly be made from these funds. (see section 3)

#### Fund for the Support of Presbyters and Deacons (FSPD)

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 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

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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.

- 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 2019/2020 made grants amounting to £450,865. In summary, these were distributed as follows:

Nature of grants	Total amount (£)
Grants to enable ministers to continue in ministry and manse adaptations	109,994
Recuperative Breaks	20,416
Grants to ministers for acute financial emergencies	67,694
Grants for retired ministers health needs, nursing and residential care	70,639
Removal costs and relocation grants on retirement	95,055
Christmas gifts to widows and widowers and other miscellaneous grants	41,300
Grants for own property expenses and general financial support	6,162
Grants to MMHS <sup>1</sup> for property acquisitions and special adaptations	39,605
<b>Total</b>	<b>450,865</b>

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

- 2.6 In 2019/2020, £11,002 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 noting that most were for £600 or less.

Grant amount in £s	Number of ministers
300 or less	10
301-600	13
601-900	1
Total	24

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.



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- 2.7 The maximum annual grant in 2019/20 was £300 per child per year where the household income is less than twice the standard stipend. This amount has now been increased to £600 and can cover grants towards provision of equipment for online educational activities.

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

- 2.8 In 2019/2020 the MMCRA made grants amounting to £26,820 to 24 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 13 District Synods who contributed £4,010 in 2019/2020.

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

- 2.9 In 2019/2020, the MMBF made grants of varying amounts totalling £15,944 to 23 ministers. 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 – Deacons**

- 2.10 In 2019/2020 three grants were made amounting to £2,049.

### **Aspinall Robinson Trust**

- 2.11 In 2019/2020 all grants for deacons were made from the benevolent fund so there has been no call on the Aspinall Robinson trust this year.

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

- 2.12 In 2019/2020 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,

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especially in the Finance and Resources, Human Resources and Development, 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 2020, the Committee made a number of changes, as follows:
- Initial grants and loans to ministers would be funded in future from the FSPD and not the Methodist Church Fund.
  - Travel allowance grants during a time of sickness would be funded from the FSPD and not the Methodist Church Fund.
  - The Pre-Retirement course for ministers would be funded from the FSPD and not the Methodist Church Fund.
  - The initial loan to ministers would be increased to a maximum of £10,000.
  - The Trinity Hall grant would be increased to a maximum of £600 per child per annum and the grant would be explicitly to cover the purchase of IT resources.
  - The standard gardening grant for supernumerary ministers would be increased to a maximum of £250.
  - Grants for recuperative breaks would be increased to £600.
  - Application forms were simplified and updated to reflect the new financial limits.
- 3.4 The Committee considered the longer term financial position of the funds under its responsibility and the need to ensure the effective stewardship of these funds. The Committee concluded that it was able to increase the level of expenditure over the next two years. As a consequence, initially three areas of expenditure were approved:
- The funding of ministerial sick leave after a minister has been off sick for 6 months. (NB further work on Standing Order 365 and ministerial wellbeing is underway.)
  - Recuperative time for ministers in need of longer term support to return to active ministry.
  - Funding for additional well-being support for ministers to ensure they are receiving the best possible support to return to active ministry.

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- 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 Having regard to the impact of the pandemic lockdown on ministers stationed in the island and overseas appointments, the Committee agreed that it would fund a trip to the mainland for ministers and their families in 2020/21. This is in addition to the two annual trips already funded from the Methodist Church Fund.
- 3.7 The Committee reviewed the interim arrangements put in place in 2018 for travel grants for the children of ministers stationed in the island appointments who attend university on the mainland. The Committee agreed new arrangements to fund six single journeys in either direction from home to the mainland point of entry (typically the airport or ferry port closest to the university).
- 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**

- 7/1. The Conference receives the Report.**
- 7/2. The Conference adopts the Report and the recommendations in sections 1, 2 and 3.**