

## Connexional Allowances Committee

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<b>Status of paper</b>	Final
<b>Action required</b>	Decision
<b>Resolutions</b>	56/1. The Conference receives the report.  56/2. The Conference adopts the recommendations contained in the report.

### Summary of Content

<b>Subject and aims</b>	The report covers the Committee's customary portfolio of topics related to stipends, allowances and other financial provisions, grants made and its other activities. The Committee's report on allowances above stipend is printed separately in the Agenda.
<b>Main points</b>	Section 1 covers stipends, allowances above stipend and other allowances, fees, rates and expenses for 2016-17.  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 involved.
<b>Background context</b>	None to note.

### Summary of Impact

<b>Financial</b>	<p>Paragraphs 1.3 and 1.4: the increase in standard stipend and allowances above stipend – the recommended standard increase was published in October 2015 to enable all 2016-17 budgets to be prepared accordingly.</p> <p>The financial provisions of paragraphs 1.7 and 1.8 will be met from the Fund for the Support of Presbyters and Deacons (FSPD) and of paragraph 2.5 from the Methodist Ministers' Children's Fund.</p> <p>Paragraph 1.15, re-instating the collection of the sabbatical levy as agreed in 2015, has an impact on district costs (already included in their 2016-17 budgets).</p> <p>Paragraph 1.17, amending the basis and amount of the initial ministry grant as agreed in 2015, has an impact on Methodist Church Fund costs (already included in the 2016-17 budget).</p> <p>Paragraph 1.22, on the Living Wage, may impact the finances in some local churches, circuits and districts.</p> <p>Paragraph 3.6, regarding additional local authority charges for some waste collection, will have a minor impact in some circuits.</p>
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## Connexional Allowances Committee

The Connexional Allowances Committee's general report to the 2016 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. A second report, containing recommendations also approved by the Methodist Council on allowances above stipend, is printed as a separate section in the Agenda.

This report is divided into three sections, as follows.

1. Recommendations for stipends and allowances 2016-17
2. Report on Funds and Trusts within the Committee's remit
3. Other work undertaken and planned and by the Committee

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

### 1. RECOMMENDATIONS FOR STIPENDS AND ALLOWANCES 2016-17

- 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 the 2015 Conference affirmed that this formula should continue to be used for a further three years until 31 August 2018.
- 1.3 Using the index numbers published in October 2015, the CPI movement for the period September 2014 to September 2015 was -0.1% and the AWEI movement for the period July 2014 to July 2015 was +2.9%: the average of these is 1.4%. **In accordance with the recommendation on the stipend review formula affirmed by the 2015 Conference, the annual standard stipend for the year beginning September 1<sup>st</sup> 2016 is therefore increased by 1.4% to £23,184** (rounding up to the next highest figure divisible by 12, to give a monthly stipend of exactly £1932).

#### Additional Allowances

- 1.4 The following allowances are applied for ministers:

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

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

**The above result in the following allowances for 2016-2017:**

	£
The President of the Conference	5,796
The Secretary of the Conference	6,955
Separated District Chair	5,796
Warden of the Methodist Diaconal Order	5,796
Synod Secretary	1,159
Superintendent	1,739
Principal of a Training Institution	5,796
Staff member of a Training Institution	4,637
Connexional Team Secretary	6,955
Other ministers serving the Connexional Team or stationed to appointments within the control of the Methodist Council	4,637

- 1.5 **The Committee's second report recommends that the allowance payable to Synod Secretaries be withdrawn as from 1 September 2016 for new appointments, but retained by existing incumbents until their appointment ceases. If that recommendation is agreed, the figures in section 1.4 will apply only in the latter cases, but not in the former.**

**Relocation Allowance**

- 1.6 The Committee recommends that the tax free allowance payable by the receiving circuit (or other responsible body) to ministers upon moving manse remain at £600 and, in the case of two ministers sharing the same manse, it is one payment of £800. It is clarified that this payment is in addition to the full cost of travel and removals, as defined in SO 528.
- 1.7 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 already.
- 1.8 **The Committee further recommends that this provision be extended 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.**

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<sup>1</sup> This category comprises the Assistant Secretary of the Conference and the Connexional Secretary (when the post is held by a minister).

- 1.9 **The FSPD will be responsible for funding only one removal and relocation. The Committee wishes to clarify this point in the light of the increasing practice of supernumeraries moving to take up an ‘appointment’. Such arrangements often involve more than one house move.**

### **Travel Allowances**

- 1.10 The Committee continues to recommend that the maximum rates as prescribed by HMRC’s ‘approved mileage allowance payment scheme’ (AMAP) be observed. If alternative mileage rates exceeding those allowed by the appropriate tax authority are paid locally then it is necessary for this income to be declared to the tax authority and it will give rise to a tax liability on the individual concerned. It is emphasised that this should be regarded as a personal liability – involving the individual and HMRC – and not require handling by the Church’s officers, centrally or locally. Any changes to HMRC approved rates will be considered by the Committee and presented to Conference for approval before implementation, so as to avoid unexpected cost increases mid-year.
- 1.11 The Committee continues to remind the whole connexion of our commitment to reducing our carbon footprint, and wishes to encourage people to use public transport and share cars wherever possible.
- 1.12 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

- 1.13 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**

- 1.14 It is recommended that the maximum amount that may be claimed to cover expenses during a sabbatical continue to be £1000 as from 1 September 2016, noting that the 2015 Conference approved the Committee’s indication that it remains at this level until 2018.
- 1.15 Following the review of the Sabbatical Fund in 2014, the 2015 Conference approved the reinstatement of the sabbatical levy at the level of £50 per minister for the year 2016-17 reverting to the original level of £60 for 2017-18 until further notice. The Committee will continue to monitor the income, expenditures and balance of the Fund and make any further recommendations as necessary.

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

- 1.16 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 £6000, interest-free, repayable over a maximum of 5 years (ie £100 per month).

- 1.17 The 2015 Conference agreed the Committee's recommendation that, as from September 2016, a maximum flat-rate means-tested initial grant be set at the level of £3000, **but subject to a minimum payment of the equivalent of the relocation allowance. It is further clarified that this is instead of, and not additional to, the relocation allowance which applies to subsequent moves (as per section 1.6). 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)).
- 1.18 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 £6000 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.
- 1.19 All loans and grants under this heading are means-tested and made from the Methodist Church Fund and loan repayments are deducted from monthly stipend at source.

### **Preaching Fees and Expenses for Supernumeraries**

- 1.20 In accordance with the decisions of the Conference, supernumerary presbyters should be offered a minimum preaching fee and travel expenses. The Committee advises that the fee will remain at £25 until 31 August 2017, as agreed by the 2013 Conference, and that the standard travel expenses, summarised above, apply. Circuits are reminded that it is their responsibility to pay these fees and expenses, even if and when churches assist with the preaching plan preparation: the church is only responsible for payment when the supernumerary presbyter preaches at the church by specific invitation, typically for a special occasion. The Committee also reports that the review of the preaching fee has been included in a wider survey being conducted by the Ministries Committee.

### **Marriage Registration Fees**

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

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

- 1.22 The Committee advises that the latest Living Wage rates, published in November 2015 by the Living Wage Foundation (LWF), are **£9.40 per hour for London and £8.25 for all other regions**. The LWF figures will always be adopted as the Methodist Church's recommendations. Methodist employing bodies are reminded of the resolutions of the 2010 Conference (Agenda pp 153-154) regarding the mandatory implementation of these rates.
- 1.23 The Committee reminds the whole connexion of the resolution of the 2015 Conference that the implementation of the Living Wage is now mandatory in all but the most extreme and

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

exceptional circumstances, and that all outstanding exceptions be reviewed by the appropriate District Policy Committee.

- 1.24 Further updated figures, expected to be announced by LWF in November 2016, will be published on the Methodist Church website, and can also be accessed on the LWF website: guidance on implementation timing was given in the Committee's Report to the 2012 Conference (Agenda p 130).

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

- 2.1 For many years the Committee has acted as the Trustees for four funds or trusts which are available to ministers, and may, in some cases, be used to give financial assistance to dependent close family members as well as themselves. They are:
- The Fund for the Support of Presbyters and Deacons (FSPD), previously known as the Auxiliary Fund (of the Minister's 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)
- 2.2 During 2015-16, the Committee has assumed oversight of two further funds specifically related to the financial needs of deacons and hitherto managed by the Methodist Diaconal Order (MDO), viz. the Aspinall Robinson Trust and the Benevolent Fund - Deaconesses. The objects of the Aspinall Robinson Trust have been modified, and agreed by the Charity Commission, so that they mirror those of the FSPD and the Methodist Medical Benevolent Fund together, thus enabling the Trust to be used for more or less all benevolent purposes relating to deacons and their dependants. The second Trust has limited funds, to be used to meet diaconal needs wherever possible. From 2017, reports will be given on these funds. Provision has made in the administrative arrangements for the Warden of the MDO to be consulted and advised as appropriate on the disbursement of these funds.

### **The 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.
- 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 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)**

- 2.5 **As the income to the trust continues to exceed the grants made, and the balance is now healthy, the Committee recommends that the maximum grant per child per year be increased from £250 (set in 2014) to £300 as from September 2016.**

## Analysis of Grants from Funds and Trusts

2.6 The Committee promised, in response to a question at the 2010 Conference, to give summary information on the pattern of grant-making in its report to the Conference each year. We are pleased to do this, as below, for 2014-15<sup>3</sup>.

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

The FSPD is by far the largest of the four funds and receives substantial income from donations and legacies as well as investments. It is used in a wide variety of ways in pursuit of its objects and in 2014-15 made grants amounting to £523,627. In summary, these were distributed as follows:

Nature of grants	Total amount (£)
<i>Grants to active ministers and following death in service</i>	
Grants to ministers with impairment and for other emergency requests	88,962
Grants to widows and widowers following a minister's death in service (7)	33,738
<i>Grants to retired ministers, widows and widowers</i>	
Annual grants to owner-occupiers (453 grants)	126,730
Nursing, residential and health related (25 grants)	79,525
Removal costs and relocation grants on retirement (67 grants)	107,096
Assistance mainly with gardening and maintenance costs (62 grants)	6,490
Various other requests and Christmas gifts	40,592
Property repairs and maintenance including for owner-occupiers (15 grants)	40,494
Total	523,627

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

### Trinity Hall Trust

2.9 Income to the Trust comes almost wholly from investments, which partly accounts for its financial problems in past years. In 2014-15, £15,525 was paid in 37 grants to ministers to help fund costs of educational activities for their children, an average of £420 per grant. The table below shows the pattern of grant amounts, noting that 81% were for £500 or less.

Grant amount in £s	Number of grants
Less than 250	11
251 to 500	19
501 to 750	5
751 to 1,000	2
Total	37

<sup>3</sup> Any minor differences between the grant expenditure totals given in this Report and the audited accounts of the funds arise from exceptional cases when grants are refunded when they are no longer needed or small retrospective transfers are made between funds when grants are incorrectly allocated.

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

- 2.10 The MMCRA made grants amounting to £14,982 to 23 ministers and dependants to give financial help mainly to support the care of adult dependent children. This fund manages to provide limited support from its income which relies wholly<sup>4</sup> on the collections made at District Synods and the Committee continues to encourage Synods to be generous.

### **Methodist Medical Benevolent Fund**

- 2.11 The MMBF made 18 grants of varying amounts totalling £12,453, an average of £692, and paid a further £35,279 to the Churches Ministerial Counselling Service and other service providers to offer 84 ministers support through various forms of counselling, an average of £420 per minister. Again, this fund provides support from within its income, derived mainly from investment, and it is used wherever the need is related to physical and mental health conditions. The Committee wishes the Conference to note again the growing expenditure on counselling and related support for an increasing number of ministers, including while they are students and probationers.

## **3. OTHER WORK UNDERTAKEN AND PLANNED BY THE COMMITTEE**

- 3.1 The Committee continues to engage in reviews of several topics for which it has responsibility, and is grateful for the support of the Connexional Team staff, especially in the Finance, Development and Personnel, Discipleship and Ministries and Conference Offices, in all that they do.
- 3.2 Many of the requests for financial assistance from the six funds fall well within the defined purposes of the funds and are processed by the Connexional Team. However, a number of special requests are either outside the clearly defined purposes of the funds, are for larger amounts or have unusual features which require special consideration. These are referred for decision to the Chair of the Committee, and, if deemed necessary, to the whole Committee: all such cases are reported for confirmation to the following Committee meeting. In the year 2014-15, there were 146 such cases – a higher number again than in any previous year.
- 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 During the year, the Committee has reviewed the Reserves positions on the funds for which it is responsible and confirmed that they comply with the guidance and policy set out by the Connexion.
- 3.5 The Committee continues to work with the Methodist Ministers Housing Society (MMHS) to ensure that our respective policies on common matters are aligned as far as possible and we continue to be grateful to participate in discussions with MMHS on strategic and policy matters.

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<sup>4</sup> In 2014-15, a one-off generous donation was made to the fund to enable a very particular need to be addressed which was best processed through the channels of the MMCRA.



- 3.6 The 2015 Conference approved the Committee's recommendation that Circuits and appointing bodies must always accept responsibility for payment of the full Council Tax and water rate for a manse, irrespective of the number of permanent occupants. The implicit consequence is that Circuits and employing bodies do not ask single ministers to claim (on the Circuit's behalf) the 25% discount on Council Tax for single-person occupancy. **Further to a question during the debate on the 2015 report, the Committee affirms that Circuits and employing bodies are responsible for the payment of other charges levied by local authorities in respect of waste collection (eg garden waste) which are included in the Council Tax in other places<sup>5</sup>.**
- 3.7 During the year, the Committee offered an informed view from a Methodist perspective to the Joint Public Issues Team (JPIT) in support of its project on 'funeral poverty', not least drawing on the feedback received in the survey carried out last year.
- 3.8 The Committee is considering the appropriate time to participate with other bodies in discussions about the long-term challenges facing the whole Church in making financial (ie pensions and grants), housing and care provisions for ministers and their dependants into increasingly older age. This is a prominent and nationwide issue from which the Church is not immune. Those invited to share in discussion with the Committee, each with its own role, contribution and view, include the Methodist Ministers Pension Scheme (MMPS), the Methodist Ministers Housing Society (MMHS), MHA, the Trustees for Methodist Church Purposes (TMCP) and the Leaders of Worship and Preachers Trust (LWPT).
- 3.9 Finally, the Committee wishes to place on record before the Conference its gratitude and indebtedness to Mr Tony Tidey, the Church's Wellbeing Officer and a member of the Committee, who retired in May 2016. The Committee, not least its Chair with whom Tony worked closely in teasing out the need and justification for financial support for ministers and their families facing complex personal issues, will miss his insight, experience and realism combined with a manner so calm and approachable: we wish him well in his retirement.

### **\*\*\*RESOLUTIONS**

**56/1. The Conference receives the report.**

**56/2. The Conference adopts the recommendations contained in the report.**

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<sup>5</sup> See SO 917(1)(i) which governs all such payments.